FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT
No. 27,785 Thursday February 8 1979 ***15p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Pta 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 15p

NEWS SUMMARY

GENERAL

Britain loses 'cab spy' case

The European Court of Justice ruled that Britain had broken Common Market rules by failing to introduce tachograph speed and mileage recorders into its lorries.

The judgment will be sent to London, where the Government will decide what action to take. The tachograph, known as "the spy in the cab," became compulsory throughout the EEC in January, 1976.

The Freight Transport Association said the decision was a disappointment and the Road Haulage Association called on the Government to seek EEC dispensation for phased introduction of tachographs. Back and Page 6

Bhutto protest

A woman threatened to set fire to herself outside the Pakistan Embassy in London in protest at the death sentence on former Prime Minister Zulfikar Ali Bhutto. She covered herself in paraffin, before police intervened.

Pakistan's military government indicated that there would be no public response to clemency appeals for Mr. Bhutto. Page 3

Peace talks soon

Egypt expects to resume peace talks with Israel during the next three weeks, but is pessimistic about a breakthrough. President Sadat is waiting to hear from Washington about the proposed date for the talks. Page 3

Election invitation

Rhodesia's transitional government has issued a second official invitation to Britain and the U.S. to send observers to monitor the one-man, one-vote elections in April.

Blast kills four

Four men were killed and 11 others feared dead after an explosion wrecked a flour mill at Bremen harbour, Germany.

Proll offer

Suspected urban guerrilla Astrid Proll has offered to return to West Germany if she is granted provisional exemption from arrest.

Turk shot dead

Former Istanbul police chief Ilgiz Aykuttlu was shot dead outside his home. An extreme leftist group admitted responsibility.

Britons first

A British signals unit is expected to be the first contingent of the planned UN peacekeeping force to arrive in Namibia this month, if talks involving the South African Government, African front-line states and SWAPO are successful.

Times move

TUC general secretary Len Murray has stepped into the *Times* dispute, with plans aimed at persuading management and unions to resume negotiations. Page 9

Gold on board

Hong Kong police found gold worth more than £500,000 hidden in the engine of the refugee ship Huey Fong.

Briefly . . .

A Heathrow Airport baggage supervisor was given an 18-month suspended jail sentence for his part in an alleged drug smuggling operation.

About 1,000 children from Uppingham, Leics., are to be tested for tuberculosis. Nine schoolmates have the disease.

Teacher Janice Holt has been barred from classes at her Derby school for wearing a ring through her nose.

Australia beat England by six wickets in one-day match in Melbourne.

BUSINESS

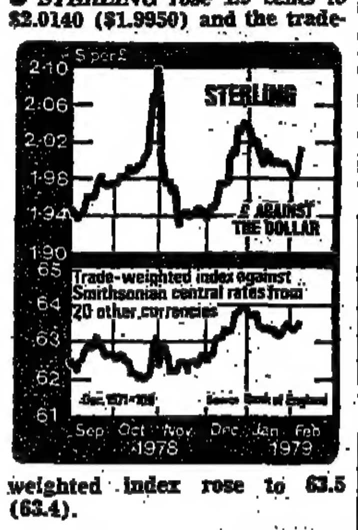
Gilts and $ easier; gold and £ firm

● **EQUITIES** resisted early falls due to the strike vote at the key BL Cars factory and the ICI statement on the damage caused by the recent lorry drivers' strike. The FT 30-share index gained 0.4 to close at 455.2.

● **GILTS** were weak on money supply trends and among shorts final losses ranged to ½.

● **DOLLAR** fell sharply to DM 1.8390 (DM 1.8600) and SwFr 1.6555 (SwFr 1.6840), on the crisis in Iran.

● **STERLING** rose 1.9 cents to $2.0140 ($1.9950) and the trade-weighted index rose to 63.5 (63.4).



● **GOLD** rose $6⅛ to $250½ ($244⅜). In New York Comex nearby price rose to $254.20 ($243.70).

● **WALL STREET** was 9.40 lower at [illegible] shortly before the close.

● **EURODOLLAR** bond market lost further ground on $ weakness and the strength of gold ending with net losses of about ⅛ to ½. Yields pushed up to 9.30 per cent in many issues. In New York, bonds again fell amid predictions that the new U.S. Treasury issue would offer yields of almost 9 per cent. Page 27.

● **HONDA MOTOR** plan for a simultaneous issue of convertible bonds in different currencies is still up in the air. Page 27

● **A RISE** in the Bank of England's Minimum Lending Rate was predicted yesterday by two leading City stockbrokers. Page 6

● **HISTORIC COST** accounting is being abandoned in the main accounts of many big UK companies. Page 6

● **BRITAIN** is negotiating with Norway the purchase of 70bn cubic metres of gas from Statfjord field. Page 2

● **COAL BOARD** will find it hard to break even this year and will need more state aid next year, its chairman told a parliamentary select committee. Page 10

● **EXPORT ORDERS** for China worth about £1bn may result from the signing of an agreement by the Department of Industry for development of Chinese non-ferrous metal reserves. Page 6

● **ITALIAN** banking consortium led by Instituto Mobiliare Italiano (IMI) has been formed to rescue Societa Italiana Resine (SIR) one of Italy's main chemical groups on the verge of bankruptcy. Page 28

● **VEBA**, the West German oil company, plans a DM 4bn. investment in oil production to boost profitability by the mid-1980s. Page 28

COMPANIES

● **UNITED DOMINIONS TRUST** first half profits despite restraints reached £8.5m against £9.1m previously. Page 26 and Lex

● **DOWTY GROUP** reports first-half pre-tax profits increased to £14.12m (£11.05m). Page 26 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:

Imperial Grp.	88	+ 2
Intereuropean	57	+ 5
Jacks (Wm.)	41	+ 13
Kitchen Taylor	130	+ 13
MFI Furniture	206	+ 8
Pratt (F.)	71½	+ 5½
Siebens (UK)	238	+ 10
Guthrie Corp.	438	+ 5
Afrikander Lease	235	+ 15
Bougainville	171	+ 10
Cons. Gold Fields	208	+ 8
Geevor	150	+ 5
Gld. Mns. Kalgoorlie	82	+ 6
Selection Tst.	516	+ 16

FALLS:

Treas. 12pc A 1983	£95¼	— ½
Treas. 12¼pc 03/05	£89⅜	— ⅜
Aeronautical & Gen.	120	— 5
Appleyard	78	— 4
Automated Secs.	110	— 10
Bath & Portland	47	— 3
Benn Bros.	55	— 4
Glaxo	465	— 5
Guinness Peat	101	— 4
Hillards	222	— 6
Monk (A.)	61	— 4
Reckitt & Colman	450	— 7
Utd. Scientific	266	— 9
Vectis Stone	50	— 6
Yarrow	333	— 7
York Trailer	45	— 3
East Rand Gold	288	— 19

Disruption in Iran brings shortages—and a warning

Shell to cut supplies to its customers by up to 15%

BY KEVIN DONE, ENERGY CORRESPONDENT

The Royal Dutch-Shell group is to cut crude oil supplies to all customers by up to 15 per cent from the end of next month because of loss of crude oil exports from Iran.

The cut in world oil supplies is as bad as that in 1973-74, as a result of the Arab oil embargo, Shell said yesterday.

The tightening squeeze on supplies is forcing most major oil companies to make further cuts in crude supplies British Petroleum has warned of reductions of up to 45 per cent in the first quarter. Exxon is cutting by 10 per cent.

Spot crude prices have risen to unprecedented levels in Europe; Shell said yesterday that its Swiss subsidiary had paid $22 a barrel for a delivered cargo of Arabian light crude. The official Organisation of Petroleum Exporting Countries price for this crude is $13.33.

Spot sales represent only a small percentage of the total world crude market, but fears are growing in oil-consuming countries that the present level of spot prices could force OPEC producers to impose a further price rise from the beginning of April on top of the planned increase of 3.8 per cent.

Any further rises could seriously damage prospects for improved world economic growth.

In the UK, Shell is increasing the wholesale price of all its oil products by an average of 8.9 per cent with effect from today.

The increases take account of both the 5 per cent increase in crude oil prices introduced by OPEC on January 1 and the poor profitability of Shell UK Oil's refining and marketing operations.

All the other major oil companies in the UK will impose similar price increases later this month, provided the Price Commission makes no move to intervene.

The 8.9 per cent increase is on Shell's wholesale product prices. Taking into account value added tax and duty, the overall retail increase will be 6.2 per cent.

Premium petrol will rise by 2.64p a gallon; motor diesel by 2.68p; gas oil by 2.27p; light fuel oil by 1.68p; and heavy fuel oil by 1.36p.

When VAT and an added margin for retailers is taken into account, the price of a gallon of four star petrol is likely to rise by 3p to 3½p.

A gallon of four-star at large self-service stations will cost about 81p, with prices rising to 83p to 84p a gallon at smaller stations. This is the first price increase since early 1977. That rise was quickly eroded by a forecourt price-cutting war.

The increases cover only the first three months of the year, and Shell is likely to return to the Price Commission in late February or March to seek a further rise to take account of the higher OPEC crude oil prices due in April.

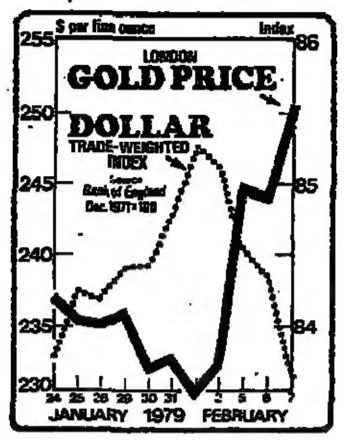
By the end of the year Shell expects prices for four-star petrol to have risen to 85p to 90p a gallon, leaving aside any changes in tax which might be introduced by the Government.

Despite the cut in crude oil supplies, Shell UK Oil said that it should be able to avoid reductions in oil product deliveries to domestic customers at least until the end of June.

Shell UK's growing supplies from the North Sea will serve to cushion the effect of the 15 per cent reductions in the Royal Dutch-Shell group's central supplies.

About 50 per cent of Shell UK Oil's supplies come from the North Sea. These are considered quite separately from Royal Dutch-Shell's international supplies, and will be largely unaffected.

Developments in Iran, Page 3
Effects on industry, Pages 10 and 24



Gold hits new peak as $ falls

By Colin Millham

GOLD CLOSED at a new high of $250½ an ounce yesterday, a rise of $6⅛, while the dollar was weak and nervous again after showing signs of renewed confidence last week.

The previous highest close for gold was $245½ on October 30 last year, a day when the price touched a then all-time high of $247. Yesterday's highest price was $251⅞, reached shortly after *the afternoon fixing*.

The situation in Iran remained the main factor influencing the rise, and also accounted for the sharp fall of the dollar.

Sterling rose above the $2.01 level and the Bank of England probably joined several other European central banks in supporting the dollar. Later in the day the U.S. Federal Reserve also intervened to try to stem the dollar's fall.

The Morgan Guaranty dollar trade-weighted depreciation widened to 9.1 per cent from 8.4 per cent.

Sterling touched a high of $2.0177½ in late trading before closing at $2.0140, a rise of 1.9c on the day. The pound's trade-weighted index, as calculated by the Bank of England, rose to 63.5 from 63.4.

Silver was also very strong, closing at a record 363½p (732c), after touching a new high of 367⅞p (738c).

Platinum's value reached a new peak with the London free market price gaining £1.08 to a record £207.75 an ounce.

A rise in the U.S. domestic price for copper to a new high of 90c a lb was announced last night by a leading producer, Asarco.

Money markets, Page 31
Metal prices, Page 33

£ in New York

—	Feb. 6	Previous
Spot	$1.9987-9997	$1.9920-9930
1 month	0.49-0.44 dis	0.52-0.48 dis
3 months	1.57-1.52 dis	1.64-1.59 dis
2 months	5.05-4.85 dis	5.40-5.20 dis

Oil crisis 'may be worse than 1973'

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

DR. JAMES SCHLESINGER, the U.S. Energy Secretary, warned Congress yesterday that the world oil crisis, brought on by the interruption of supplies from Iran, was "prospectively more serious" than that created by the 1973-74 Arab oil embargo.

He said there was little immediate chance of a resumption of Iranian oil exports at their previous levels and warned that Iran's internal problems could affect Saudi Arabian production.

Dr. Schlesinger's assessment of the dangers of Iran's political instability spilling over into other Arab oil producers are not necessarily shared, to the same degree, by other senior members of the Carter administration though there is an acute awareness in Washington of Saudi Arabia's own nervousness about external threats.

Dr. Schlesinger bluntly stated that there was "a possibility of infection," afflicting the Saudis and the White House announced yesterday that President Carter would confer with Crown Prince Fahd of Saudi Arabia in Washington on March 13 and 14.

Until recently, Saudi Arabia had increased production, thus partly *compensating for* the Iranian loss, and Dr. Schlesinger said yesterday that the cumulative loss in world oil production of more than 375m barrels since last October had been reduced to a net loss of about 150m barrels as a result of higher production elsewhere.

The Energy Secretary did not say there was an immediate need for petrol rationing in the U.S. but he repeated that, if stocks were not replenished this summer, oil shortages could be a problem next winter and that conservation was therefore imperative.

He mentioned the possibility of closing petrol stations at weekends, greater domestic and *industrial* use of coal and natural gas and restrictions on the use of home air conditioning and central heating appliances.

But he did not address the question of when mandatory conservation measures should be taken, pointing out that they would have to be worked out in *consultation* with Congress. The administration has several conservation plans at its disposal, including rationing and the allocation of oil to areas of the country in most need.

Dr. Schlesinger said reserve oil stockpiling had fallen behind schedule in the wake of the Iran troubles. Under an Act of Congress, the stockpile is supposed to reach 500m barrels by the end of 1980, but the Administration now expects that target nto to be met until 1983.

The Energy Secretary also noted that the U.S., under existing agreements, was obliged to supply as much as 800,000 barrels a day to other countries, principally Israel, in the event of a world-wide shortage.

Israeli stock were currently high, he said, and Israel had not asked the U.S. to help make up the deficit caused by the cessation of Iranian output, but he pointed out that both the main factions struggling for power in Iran had pledged not to sell Israel any more oil.

France boosts A-power

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government is *responding to fears about long*-term energy supplies with plans to speed up its nuclear power programme and to diversify oil and gas sources.

The decision, announced yesterday, is also being linked to attempts to help the depressed industrial regions in the North and Lorraine, which have been chosen as sites for two power stations which are to be developed.

There will be no immediate attempt to raise petrol prices, mainly because the country's oil bill has been held unexpectedly steady by the fall in the value of the dollar. Fuel price increases, due to be announced in a few days, will be concentrated on other areas.

Although instability in Iran has provided a sombre backcloth to current discussions, the French are not unduly worried about their energy supplies on this score. Only about 9 per cent of the country's oil comes from Iran, rather less than in most other Western European nations.

The impetus towards an accelerated nuclear programme came from the breakdown of the national electricity supply in December, along with a desire to widen the geographical sources and types of energy used.

Continued on Back Page

BL dispute spreads after Longbridge walk-out

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A WALK-OUT by the 20,000 manual workers at BL Cars' Longbridge plant, Birmingham, yesterday, pitched the state-owned company into yet another crisis. There was growing confusion last night as plants up and down the country voted different ways on the recommendation by union leaders to call a total stoppage by all 100,000 workers.

The wave of protests has been prompted by the company's refusal to make parity payments on the ground that production *had not been sufficient to* finance such awards.

The parity programme to achieve the same wage for the same job regardless of plant is regarded by management as the main hope of restoring order to BL Cars' chaotic industrial relations. But the company's hard line in insisting that the timing of payments must be related to output seems to have re-opened old inter-union rivalries and aroused pressure once more for plant level bargaining.

Mr. Roy Fraser's unofficial toolmakers' commitee will meet in Birmingham today to decide what action to pursue.

At the Pressed Steel Fisher plant, Cowley, the 7,000 workers will be urged today by Transport and General Workers' Union stewards to reject the strike call. Instead the men will be seeking to overthrow company moves towards centralised bargaining in favour of local negotiations.

At the Cowley assembly plant, with 5,000 employees, stewards are expected to recommend rejection of a strike over parity payments. But they may suggest a walk-out in pursuit of a separate 30 per cent pay claim.

Senior management has agreed to meet union leaders today, including Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, for exploratory talks but management insists there can be no negotiation.

Mr. Derek Robinson, the Longbridge convenor, made clear last night that workers were fully aware of the risks involved in strike action, but believed management understood "only the language of force."

The 3,500 workers at the Drews Lane components factory in Birmingham, whose unofficial strike in November last year was the main cause of the company's poor output performance, voted yesterday to support the strike call. About 800 employees at SU Fuels Systems have taken a similar decision.

At Coventry Engines, the 2,000 day-shift workers voted against the strike, but the night shift is in favour. The 700 workers at Speke are opposed to the strike.

Nearly 10,000 workers at Rover will be advised by their stewards today to join the action. Stewards at Triumph Canley, Coventry, are also *recommending a strike but* support from the 7,000 workers is likely to be weak.

Vanden Plas car works to shut, Page 10

Lorry strike threat to ICI plans

BY SUE CAMERON AND CHRISTINE MOIR

THE SEVERE impact of the recent road haulage strike on profits was spelt out yesterday by two companies, Imperial Chemical Industries and York Trailers. ICI also warned that its capital spending programme might have to be revised.

It said it would fight the 20 per cent increase in road transport charges that were being demanded by most of the 200 haulage companies it uses. It said many road haulage companies claimed that higher wages necessitated increases of up to 13 per cent in charges, with the remaining 7 per cent arising from larger depreciation costs and higher fuel expenses. ICI felt that the 13 per cent wage element was excessive, particularly in view of the financial consequences of the lorry drivers' strike.

The group's announcement that the strike will have implications for its capital expenditure programme suggests it may either cut its total spending or build plants abroad rather than in the UK—or both. Yet chemical trades unions are already pressing hard for further capital investment in Britain.

ICI's current capital expenditure programme is *running* at just over £800m a year. It is highly unlikely that any UK projects already announced will be cut because most of them are under construction. But the group has been expected to announce in March a number of new projects and it is the forthcoming programme that will be affected.

The group sent a statement yesterday to all its employees saying that the full impact of the strike on profits would depend on the extent to which its operations could recover their former position. But much of its export business was going to be "extremely difficult" to recover and some of it was already "irretrievably" lost.

ICI sets internal and undisclosed profit targets for its

ICI Australia plans, Page 29

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FEATURES

For latest Share Index 'phone 01-246 8026

EUROPEAN NEWS

German Airbus partners may sub-contract abroad

BY ADRIAN DICKS IN BONN

THE WEST German partners in the European Airbus consortium have been forced by the fall of the dollar to consider subcontracting to other countries some of their own share of the manufacturing.

Professor Gero Madelung, chairman of Messerschmitt-Boelkow-Blohm, the major West German partner, told the Financial Times that no decisions had yet been taken. But he stressed that "We are obliged to examine every possible way of reducing costs in order to try to compensate for the fall of the dollar."

The MBB chairman made clear that subcontracting Airbus work abroad would be an extreme solution for the company. The saving involved would have to be a large one if it were to offset the disadvantages of delay, retooling and quality control that would be unavoidable.

MBB is studying ways of rationalising production still further, and hopes for additional savings from the long-discussed merger with the West German interests of Vereinigte Flugtechnische Werke-Fokker, with which it already co-operates in the Airbus programme. The two companies are under pressure from the West German government to complete the merger negotiations this spring.

The difficulty for the Airbus consortium as a whole, and for the Germans in particular, arises because aircraft prices are denominated in dollars, whereas outgoings are in each partner's national currency. Both the manufacturers and the Bonn government fear that unless the dollar climbs back well above the DM2 level, some way will have to be found to compensate if the project is not to become a long-term loss maker.

Concern over the cost position coincides with a high level of optimism at MBB over the outlook for Airbus orders. Professor Madelung expressed confidence that the project would show a profit, although the dollar problem had meant that the "break even" number of orders was now closer to 400 than to the 360 originally projected.

Putting out work abroad would almost certainly raise a storm of protest in West Germany. Only last Friday, the group works council chairmen of MBB and VFW issued an appeal to the Bonn Government to ensure that the merger of the two companies would be accompanied by firm guarantees of long-term orders as a way of safeguarding jobs.

Professor Madelung said, however, that he believed Bonn would have to agree to some Airbus parts being made outside West Germany if it was sincere in wanting the aircraft produced economically.

It is not clear exactly which parts of the project might be subcontracted out by Deutsche Airbus—the holding company through which MBB and VFW-Fokker participate in Airbus Industrie. Nor is there any firm idea on the part of the MBB management where such subcontracts might be placed.

There could well be keen competition from other Airbus partners, notably Britain and France, for a larger share in the work. However, sources in the industry believe that if MBB did decide to reallocate some of its share it would not feel confined to considering only its fellow-members of the consortium.

One possibility might well be for the Germans to place subcontracts in the U.S. This would both offer substantial savings in labour costs and also help to disarm some of the political opposition which Airbus Industrie fully expects to face in its efforts to interest new American customers.

Italy represents another option, in the view of some German aerospace executives. Not only does it offer substantial savings, but the Italian aerospace industry has, through such joint projects as the MRCA Tornado, established a reputation in Germany for reliability and punctual delivery.

Neutral budget for Ireland

By Stewart Dalby in Dublin

MR. GEORGE COLLEY, Ireland's Finance Minister, introduced a mild, neutral Budget yesterday, which was much as expected. Tax concessions, however, were smaller than forecast, but there was the anticipated average 12 per cent increase in most welfare payments, and a pay increase for public sector employees which was slightly larger than predicted.

The only real surprises were the increases in indirect taxation. Beer has gone up by 2p a pint, taking it to over 50p a pint. Cigarettes will increase by 6p a packet. There is 3p on a small measure of spirits and 10p on a bottle of table wine.

The budget's intention was to reduce the public sector borrowing requirement from the present 13 per cent of GNP to 10½ per cent in this calendar year. The official GNP figure has not been given, but it has been put at £7.2bn. However, on yesterday's budget figures, Mr. Colley is using a GNP total of something over £7.3bn.

It looks as if he will be able to meet the 10.5 per cent, while taxation receipts expected to rise by 21 per cent.

This year's total receipts are estimated at £2.47bn, against expenditure of £2.67bn.

This, Mr. Colley said, meant that he opened his Budget with a current-account deficit of £208m. To this must be added £490m in debt-servicing requirements arising mostly from the capital spending programme. Thus Mr. Colley started the year with a public-sector borrowing requirement of £698m.

However, he has made several special allocations. First, £20m is to be devoted to the job creation programme. This is in line with the Government's declared aim of reducing the number of unemployed by 25,000 this year.

Second, £75m is to go toward a pay rise for public-sector employees, which works out at about 7 per cent.

Third, £40.1m is to be allocated for extra welfare benefits, including increases in unemployment benefit, child allowances, and pensions, particularly for widows.

If other allocations are added, Mr. Colley's current-account deficit goes up by £141m. But, by deducting the £41m of unspent balances at various Ministries, Mr. Colley arrived at a current-account deficit of £309m and a PSBR of £799m.

Mr. Colley gave less away in tax concessions than had been expected. The allowance for a single man, for example, increased by only £250. All told, however, the tax concessions amounted to £37.7m.

Against this, Mr. Colley is raising £37m through the increases in indirect taxation on liquor and cigarettes. He is raising £20m more by altering the system by which farmers are taxed, and imposing a levy on agricultural goods. This means a net increase in tax of £20m, which, when deducted from the current-account deficit, drops the borrowing requirement to £779m, which Mr. Colley claimed was equal to 10.5 per cent of GNP.

Much to the surprise of observers, Mr. Colley did not announce that he would be using the £70m in grants which will be available from the EEC in return for Ireland joining the European Monetary System. Difficulties over the EEC's budget have delayed payment.

The immediate criticism of this Budget by Opposition leaders and economists is that it may have over-estimated the buoyancy of tax revenues. Even with Ireland's high growth rate, and the growing number of those employed, income-tax revenues seem unlikely to increase this year by the 36 per cent which the Government expects.

ANGLO-NORWEGIAN EXPLORATION TALKS

Britain bids for Statfjord gas

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN OSLO

DR. DICKSON MABON, the UK Minister of State for Energy, yesterday tabled Britain's interest in buying the 70bn cubic metres of gas in the Statfjord field and obtained agreement that senior British and Norwegian officials would resume exploratory talks on joint North Sea gas exploitation next month.

He also discussed suggestions for joint ventures in offshore contracting between Vickers and the Aker shipbuilding group and between Rolls-Royce and Kongsberg Vaapenfabrikk during a two-hour session with Mr. Trygve Tamburstuen, the deputy Norwegian Minister for Oil and Energy.

The ministers agreed in principle that a joint enterprise would be treated as a national company in both Britain and Norway when bidding for North Sea contracts or operating in either country's North Sea sector. This issue was raised in connection with the bids for Statfjord and Ekofisk orders made by a company jointly owned by Norway's Wilhelmsen shipping concern and Britain's Walton Williams diving company.

Kongsberg is a state-owned weapons manufacturer which has diversified extensively into turbine engineering, aluminium processing and electronics. The Aker group produces semi-submersible drilling rigs and is one of the three large Norwegian contractors for offshore production platform equipment.

They were tentatively named as appropriate partners for respectively Rolls-Royce and Vickers, when the two junior ministers followed up the agreement reached by Dr. Mabon on Tuesday with Mr. Bjartmar Gjerde, Norway's Oil and Energy Minister, to promote joint ventures between British and Norwegian offshore companies.

The pace of British-Norwegian talks on North Sea gas development is likely to be stepped up this year. Mobil, the operating company on the Statfjord field, would like to have a decision on the sale and transport of the Statfjord gas in the course of the autumn. At the same time Dr. Mabon told the Norwegian Petroleum Society on Tuesday there was "a definite possibility" that a new gas pipeline to shore might be required on the British side.

These two potential requirements have revived the idea of a joint British-Norwegian gas-gathering pipeline (GGP) which appeared to be shelved in the final report from Britain's GGP study company last July. Dr. Mabon said several reserves of gas were expected to become available during the first half of the 1980s and the GGP company report on the need for a new pipeline had been "more finely balanced" than reported.

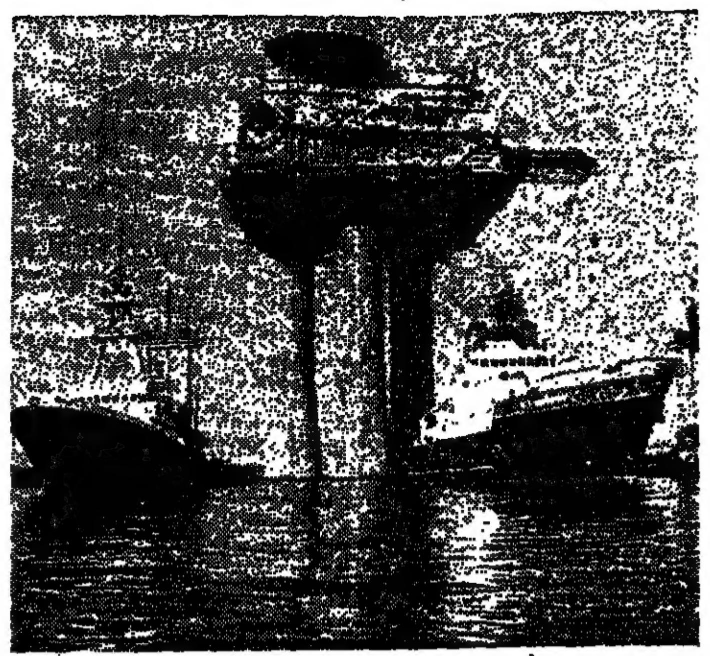
During his visit here he has both re-emphasised the British Gas Corporation's interest in buying the Statfjord gas and reiterated the Government's desire to talk seriously with the Norwegians about a joint GGP.

While not rejecting the British option, the Norwegians are more cautious. The West Germans, Dutch and French are interested in buying the gas and Continental prices are higher than those previously offered by the British Gas Corporation.

The Norwegians have been waiting to see if they can discover enough gas in their sector to justify building their own GGP. They would need to find new reserves equal to roughly twice the 70bn cubic metres in the Statfjord field.

However, Mobil and several of the other licensees now feel that there will be a limit to the period during which the Statfjord gas can be reinjected under oil production without causing damage to the reservoir. They believe they will need to produce the gas and transport it ashore by 1985 at the latest, although some of the Norwegian licensees dispute this.

Because of the long lead times involved in any gas project, Mobil's position means that a buyer for the gas would have to be found and a decision on the transport system taken before the end of this year. But the delay in allocating new blocks under the fourth concession round means that there is little chance of a commercial gas discovery being made in the Norwegian sector within that time limit. The exception is the "gold block," 34/10, on which two wells have already been drilled with promising results.



Tugs haul the Beryl A production platform from a fjord in Stavanger.

Mobil is studying four possibilities. They are a separate pipeline to Britain; a link to the British Brent gas pipeline to St. Fergus; a link to the Frigg field, whose gas is also pumped to St. Fergus; or a longer link to the Ekofisk complex, from which the gas could be pumped to Emden.

By reopening the possibility that Britain may need a new gas pipeline Dr. Mabon has drawn the Norwegians' attention to the advantages of a joint GGP.

His visit has otherwise laid the dust aroused by his tough letter to Mr. Gjerde last December on the escalating cost of the Statfjord development. The British licensees, which include the British National Oil Corporation, have 11.18 per cent of the field which straddles the median line.

On Tuesday Dr. Mabon got Mr. Gjerde to agree that the final decision about the location of the "B" platform should be delayed until the soil conditions in the northern part of the reservoir have been studied. Mobil would in any case have made this study while planning the "C" platform but the two governments will now ask the company to speed up its work.

Later this year the governments would then have available the soil study, the results of Mobil's planning work on the "C" platform and the internal report from Mobil on the Statfjord cost increases, for which the Norwegian Government has asked. They might also have some preliminary results from the committee of experts, which Mr. Gjerde is setting up to study the reasons for North Sea cost escalation.

This timetable would not delay construction work on the "B" platform but would leave open for a final decision later this year the possibility of relocating the "B" platform to the northern part of the reservoir to allow the "C" platform to be placed in the British sector.

This change of plan is opposed by the majority of the licensees but Dr. Mabon still has an outside chance of achieving his aim. BNOC and the other two British licensees, Conoco and Gulf, will it is understood continue to study the construction of a "C" platform on the British side.

The confrontation over offshore contracts did not take place. Mr. Gjerde accepted that Norwegian companies had obtained almost no orders for the Murchison field, which also straddles the median line, because their prices were not competitive. Dr. Mabon acknowledged that the contracts for the Statfjord "B" platform modules had rightly gone to the Norwegians, whose prices had been lower than those of the British bidders. All six of the module packages so far awarded have gone to Norwegians. The four largest remain but are expected to fall to Norwegian companies.

Dr. Mabon can claim credit for a reduction in the prices of the winning Norwegian tenders, which have been considerably lower than those put in by the Norwegians for the Murchison contract. The Norwegian explanation is that their companies are now operating under different economic circumstances and have cut back their profit margins, in order to obtain work and keep up employment.

Publishers fined for price fixing

BY LESLIE COLITT IN BERLIN

THE West German Cartel Office has fined three of the country's leading magazine publishers and their top executives a total of DM 26.6m (£7.17m) for "forbidden price fixing and rebate agreements." The fines are among the highest ever imposed by the federal office in Berlin.

The Axel Springer publishing company in Berlin, one of Europe's largest, the Heinrich Bauer publishing concern in Hamburg, and the Burda company in Offenburg, are accused of collusion in raising the prices of their television programme guides in late 1975, as well as arranging to reduce the margins of wholesalers and retailers in the cases of the first two publishers.

The publishers have all denied the Cartel Office charges and say they will appeal against the fines at the Berlin Appeal Court. Axel Springer, which publishes the largest-circulation television guide, Hör Zu, as well as Funkuhr, which share 45 per cent of the market, has been fined DM 13,018,774. If upheld by the appeal court, the fine would be the single largest ever paid by a West German company accused of price-fixing.

The head of the company, in addition, has been fined DM 100,000 (£27,000) and two other company officers a total of DM 40,000.

The Cartel Office claims it possesses "extensive evidence," in the form of notes and other material impounded by the courts in searches of the publishing houses during April, 1976.

Heinrich Bauer has been fined DM 10,616,725 as publisher of two television programme magazines said to have a market share of more than 35 per cent. Its general manager has been fined DM 100,000 and its personally liable partner DM 70,000.

The third publisher, Burda, which publishes one television guide with less than 10 per cent of the market, has been fined DM 2,596,459, and its manager DM 60,000.

The Cartel Office charges the three publishers with previously agreeing to raise the prices of three of their television weeklies from DM 1 to DM1.20, and putting up the price of another from DM 0.50 to DM 0.60. The Springer and Bauer houses are said to have agreed to lower wholesalers' margins from 15.91 per cent to 15.75 per cent, and retailers' margins from 19.20 per cent to 18.31 per cent.

The largest fine ever imposed by the Cartel Office was DM 50m (£13.5m) in 1972 on manufacturers of artificial fibres, but only DM 12m of this was paid. The second highest fine, on West German building companies, was DM 35m, of which almost all was paid.

Madrid pact breaches pay policy

BY ROBERT GRAHAM IN MADRID

UNION LEADERS representing some 180,000 engineering workers in the Madrid region yesterday signed a wage and work conditions agreement that made a significant breach in Government pay policy.

The agreement endorsed by the two sides accepts a 16.3 per cent increase for lower paid workers and 15.6 for higher paid. This is well above the 14 per cent ceiling imposed by Government decree last December.

Before this agreement, officials in the largest union, the Communist-controlled Confederation of Workers Commissions (CCOO), told the Financial Times that wage agreements affecting 600,000 workers had gone above the norm.

However, the Madrid engineering agreement is the biggest breach so far. Those agreements above the 14 per cent norm include the national railways (14.6 per cent), Madrid catering workers and the wood and cork industries.

The engineering agreement followed almost two weeks of intermittent strikes and stoppages. It is the first time since 1973 that this sector, which covers the bulk of the industries around Madrid, has been settled by agreement. Previously, the Government has been obliged to enforce a settlement when negotiations broke down.

Apart from the pay increase, the agreement offers more holidays (up from 26 to 28 days a year), a cut in working hours, from 2,031 to 2,024, and earlier retirement.

It also contains a feature which the unions have fought hard to include—the provision of greater information about company economic activities.

Meanwhile, widespread industrial unrest continued yesterday throughout Spain for the fourth consecutive week. The most damaging strike was in banking where a nationwide strike by 160,000 employees brought all but essential operations to a standstill.

Pinto Cabinet questioned on wages policy

By Jimmy Burns in Lisbon

NEGOTIATIONS between Portugal and the International Monetary Fund were resumed in Lisbon yesterday amid signs that Portugal's non-party Government had successfully weathered much of the storm over its more immediate economic plans.

A session which was expected to be the first major parliamentary test of the 10-week-old administration passed quietly. It involved a series of questions from the parties on wages policy and about a proposed tax levy on the Christmas bonus.

Sr. Jacinto Nunes, the Finance Minister, answered the most urgent inquiry, from the Communist Party, by saying that a higher ceiling for salary increases than the Government's 18 per cent would bring with it the danger of spiralling inflation.

The refusal of either the Government or the party speakers to be drawn into heated debate over any of the issues discussed suggested that the budget and short-term economic plan would have a safe passage in Parliament.

The attitude of the unions to the Government's policies remains more hostile. More than half Lisbon's telephones were reported to be out of order yesterday as a national strike by telephone workers entered its second day. Negotiations for a new wage contract have been complicated by the Government's wage ceiling.

USSR may allow on-site monitoring of N-blasts

BY BRIJ KHINDARIA IN GENEVA

THE SOVIET UNION is willing to allow a degree of on-site inspection to monitor nuclear blasts providing that procedures are voluntary and remain under strict national control, it was announced yesterday. Dr. Viktor Issraelyan, the Soviet disarmament negotiator, said the move was a concession to the West to facilitate progress in negotiations here on a comprehensive treaty to ban nuclear tests.

Dr. Issraelyan made clear however that the Soviet Union was still fundamentally opposed to on-site inspection as, in Moscow's view, nuclear explosions could be adequately verified by remote monitoring stations. Inspection procedures using sensory devices on Soviet soil would now be considered however—given that they were established on a voluntary and national basis to smooth the path of the talks.

Dr. Issraelyan, the new Soviet Ambassador to the enlarged UN Committee on disarmament, was replying to questions about reports alleging that the Soviet Union may agree to the placing of "black box" devices on its territory to monitor seismological explosions resulting from nuclear test blasts. Such reports were "inaccurate."

The U.S. thinks that a ban on nuclear test blasts cannot be properly implemented without on-the-spot inspection, according to international procedures which should be worked out in the course of the disarmament negotiations. This view is supported by a large group of Western and developing countries.

Turning to China's attitude towards the Disarmament Committee, Dr. Issraelyan said no nuclear disarmament measures could be successfully negotiated without its participation from the start.

China, is a member of the new committee but has left its seat empty so far. France has entered the reconstituted Committee after staying out of international disarmament talks for almost two decades.

Mr. Issraelyan formally called for new negotiations earlier this week to ban the development of nuclear weapons and to destroy existing stockpiles.

Hopes fade for talks on Cyprus

By David Tonge

UN HOPES of bringing the Greek and Turkish Cypriots to the negotiating table by the end of this month are now wearing thin. Originally, Dr. Kurt Waldheim, the UN Secretary-General, had hoped to visit Nicosia within the next three weeks to preside over the reopening of the inter-communal talks on the island, but both communities now admit to serious differences on what must be agreed before they will sit face to face.

Last November, the U.S. Government put forward a framework of proposals for negotiations. Frowned on by the Turkish side but welcomed by the Greek Cypriots, this framework became the basis of the proposals put forward two months ago by Dr. Waldheim. Western officials describe Dr. Waldheim's proposals as being a "laundering" of the U.S. plan and suggest that in preparing them more account was taken of the Greek Cypriot views.

The Greek Cypriots now welcome the framework but the Turkish Cypriots have serious reservations. According to a letter by the Turkish Cypriot leader, Mr. Rauf Denktash, to the UN which was leaked by a Greek newspaper in New York, the Turkish Cypriots are demanding that before negotiations can start the Greek Cypriots must cease any hostile activities.

They are demanding the ending of the Greek Cypriot economic blockade of the Turkish Cypriots. They are also insisting that any discussion on the future status of the Famagusta suburb of Varosha must take place in parallel with the resumption of the inter-communal talks. The Greek Cypriots, however, desire some commitment that Greek Cypriot resettlement of the area will be allowed.

Since Dr. Waldheim put forward his proposals in December his representative on the island, Sr. Reynaldo Galindo-Pohl, has been shuttling between the two communities.

AP adds from Istanbul: A senior Greek Government official expressed hopes yesterday that his two-day talks in Ankara "will be positive and constructive" towards resolving the dispute between Turkey and Greece, both members of NATO. Mr. Byron Theodoropoulos, Secretary-General of the Greek Foreign Ministry, arrived yesterday en route to the Turkish capital to meet his Turkish counterpart, Mr. Sukru Elekdag.

Argentina leader snubs Rumor

BY ROBERT LINDLEY IN BUENOS AIRES

SIG. MARIANO RUMOR, the former Italian Prime Minister, who is president of the Christian Democratic World Union, left here early yesterday without having his scheduled audience with President Jorge Rafael Videla.

The reason given by the Presidential Press Secretariat for the failure of the meeting to take place was President Videla's inability to change the hour of the audience as requested by Sig. Rumor. But officials indicated that the President seized on Sig. Rumor's request as a dignified way out of meeting him.

Last night at a news conference, shortly after he had arrived in Buenos Aires from La Paz, Sig. Rumor said he would try to secure the liberty of the former Argentine President, Sra. Maria Estela Peron, who has been in custody since the March, 1976, coup d'etat. She is charged with several counts of malfeasance while in office.

Sig. Rumor also confirmed that he had signed, together with leaders of the Argentine Montonero guerrilla organisation in exile in Europe, a document calling on the Videla regime to grant another former Peronist President, Sr. Hector Campora, a safe conduct out of Argentina. Sr. Campora, a champion of the Montoneros, has been in asylum in the Mexican embassy here since the 1976 coup.

Sig. Rumor said he had interceded in the two cases out of humanitarian reasons. His statements, as well as his meetings with several political leaders, including Peronists, on Tuesday afternoon, did not please the Argentine Government.

Thaw routs NATO forces

BY GILES MERRITT IN BRUSSELS

JUST AS "General Winter" routed Napoleon's Grand Army on the retreat from Moscow, and accounted for Hitler's Panzer divisions around Stalingrad, a general thaw has now decisively defeated 66,000 NATO troops.

General Alexander Haig

The current NATO exercise in eastern Bavaria has just been called off by General Alexander Haig, the Supreme Allied Commander, because of adverse weather conditions. Or, as one NATO spokesman put it, "the tanks were bogged down to their axles."

The manoeuvres involving up to four NATO divisions, began on January 27 under the title "reforger," an acronym that alludes to the airlifted return of 14,000 U.S. troops to Germany at combat readiness.

To the extent that the U.S. 1st Armoured Division was brought over and fully equipped, the exercise was a success. The problem started at the weekend when the hard going in the Nuremburg area thawed to thick mud and NATO's Leopard, Centurion and M60 tanks ground to a halt.

Spokesmen at NATO headquarters in Brussels have explained that the damage in wet conditions to West German farmland made the cost of carrying on prohibitive, because compensation would have run into millions of Deutsche Marks.

The worrying element, though, is that simultaneous Warsaw Pact exercises being held just a few miles east across the Czechoslovakia border, are reportedly still under way.

Soviet writers pose a problem for the Moscow censor

BY DAVID SATTER IN MOSCOW

IN AN UNPRECEDENTED challenge to Soviet literary censorship, 23 writers, including some of the best-known authors in the country, have submitted an anthology of their works to the official Soviet Writers' Union with the demand that it be published exactly as written.

The writers include such popular and widely published Soviet writers as the poet Andrei Voznesensky and the novelists Fazil Iskander and Vassily Aksyonov. The collection they have put together is a 250,000 word typescript of poetry and prose works which the authors call "Metropol." Although it contains no material directly critical of the Soviet regime, it does include many works which deal with proscribed sexual and religious themes which have already been rejected by Soviet publishers.

The anthology was submitted to the Writers' Union on January 18, intended, according to its preface, as an antidote to the "nauseating inertia" in "our literary journals and publishing houses." The authors accompanied the submission of Metropol with the express demand that none of its contents be excised or changed.

The Writers' Union rejected Metropol and, at an angry meeting, the Metropol authors, half of whom are members of the Union, were accused of deliberately trying to embarrass the Soviet Union, engender anti-Soviet feeling abroad and possibly sabotage the strategic arms limitation (SALT) talks.

The bitterness of the accusation reflects the fact that Soviet censorship, introduced shortly after the revolution as a "temporary measure" and since perfected into a system which exercises final authority over the contents of anything published in the Soviet union in more than 100 copies, is one of the pillars of Soviet rule.

Every Soviet newspaper, journal or publishing house has an appointed censor who sits in a special office, receives secret instructions from the censorship organisation, Glavlit, and removes "doubtful" passages from an author's work, according to his normally conservative interpretation of his instructions.

The censor does not deal with an author directly but rather with his editor, who may negotiate on the author's behalf. His main task, however, is not to add material but to delete it, or, in the case of an important book, to point out questionable passages in a book for the attention of the ideological department of the Communist Party Central Committee which makes the final decision.

There is no publicly available list of what themes are officially proscribed but on the basis of what is published it is possible to infer that the censorship eliminates anything which casts doubt on the leadership, the veracity of Soviet ideology, the success of the Soviet system, or which is too pessimistic, explicity sexual, or too pointedly critical.

The practical result of this system is that Soviet authors are forced to send their works to the West if they want complete publication even though they thereby run the risk of being banned from further publication in their own country. Most Soviet writers, preferring not to lose their primary Russian langauge audience, endure the censorship and Soviet readers traditionally read literature with an eye to what has probably been taken out.

It was as a deliberate challenge to this system that the 23 Metropol authors co-operated in the production of their journal which they still seek to have published officially. A meeting scheduled at a Moscow cafe recently to announce the journal's existence was prevented when the authorities closed the cafe that morning for "cleaning."

There are now eight copies of Metropol in circulation, including two which are in the hands of the Writers' Union. One copy however is in the possession of Ardis, of Ann Arbor, Michigan, a U.S. publisher which plans to bring it out in Russian this spring. Another copy is in the hands of Gallimard in Paris.

The Metropol authors have faced harassment and the threat of expulsion from the Writers' Union. But it is understood that they now intend that if one of the authors is expelled, the other Metropol authors who are Union members will resign in protest. Mr. Aksyonov, who is considered to be the organiser of the project, said in a recent interview, "We are strong together and right now our biggest problem is not to be separated."

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rate $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

Glyn Genin

Cold bath for Hong Kong

HONG KONG'S severely overheated economy will soon fall, or be pushed, into a bath of cold water. It promises to be a painful experience and will cause some fatalities.

The Government has just published money supply figures for December—the last before the budget which is due in the last week of February. They showed continuing excessive growth in both supply and demand for money: M1 rose 6.3 per cent over the previous month, M2 by 2.7 per cent and loans and advances by 3.8 per cent.

On the same day the interbank overnight money rate reached 17 per cent. The money supply figures are five weeks out of date and since the end of December there may have been a sharp slowdown in money growth.

But the picture, although blurred, that emerges from the various statistics is of a banking sector overcommitted to new lending, particularly in the property and construction sector, and scrambling for funds

Probably sooner than later this lending spree will have to come to a sudden halt, with painful consequences for the financial sector and the property market, but also for the level of output and employment in Hong Kong.

Mr. Philip Haddon-Cave, the Financial Secretary, said as long ago as September that the boom was overheated and that the longer the delay in restraining it, the more painful the eventual readjustment would be. Five months further on, restraint is still in the future.

There is little room now for Hong Kong to manoeuvre gently to a slower but stable growth path. The colony's visible trade deficit in December was a record HK$1.29bn (£135m), the second successive billion dollar monthly deficit.

It brought the total for the year to 9.13bn. It was well in excess of the Government's September forecast for the last quarter of the year, which itself was regarded with concern.

The Hong Kong dollar has remained fairly steady over the past two months despite the deficit. But this is probably largely due to an inflow of financial capital resulting from the lending commitments of many banks with inadequate Hong Kong dollar deposit bases. While this inflow helps exchange rate stability, it is tending to add to the credit excesses.

Although the balance of payments seems to be in serious disequilibrium, the Government has been concerned not to see a further decline of the currency against a trade-weighted currency index. It has recovered by 5 per cent since the October 31 low reached when the U.S. dollar was in the dumps. But it is still nearl 10 per cent below its level of a year ago.

The decline has pushed up the inflation rate. In December, consumer prices were 8.7 per cent above a year earlier and the rate of increase has been gathering speed. It is only a matter of time before it rises above 10 per cent.

The Government now seems to consider that a lower exchange rate would make inflation worse without having sufficient impact on external trade. It is argued that Hong Kong's export industries are still competitive but that excessive domestic credit has fuelled a consumer boom which has inflated the import bill and a building boom which has drawn workers away from the export manufacturing sector.

During 1978, total bank advances jumped. In December, advances were up 43 per cent on a year earlier and those for building and construction by 70 per cent. New building approvals, which indicate future construction spending, have been growing even more rapidly.

Meanwhile, the Government itself has been boosting demand. Its own capital spending programme, excluding the underground railway, was budgeted to be 50 per cent higher in the current financial *year (ending March) than the* previous one.

But what can be done about the boom? In October, in an effort to cut money supply and force banks to increase interest rates, the Government moved to cancel some its own Hong Kong dollar assets through an asset swap with a Hong Kong bank in such a way as to remove them from the system without directly expatriating them—which would have exerted further downward pressure on the currency.

But the resulting sharp interest rises quickly put the stock market into a tailspin and led indirectly to a run on Sun Hung Kai Finance, one of Hong Kong's leading finance companies.

The run was eventually staunched. The authorities endeavoured to assert that it was a freak event resulting from malicious rumour. But it was becoming increasingly apparent to some observers that confidence was brittle.

Since November, the stock market has recovered partially and the property market looked fairly steady.

The Government itself is now trying to cool things by slowing its own spending. It is delaying the start up of some public works projects. The budget is likely to put a tight lid on public expenditure, especially capital spending.

However, big spending cuts may not be easy to make. The public sector spending boom seems to have been forced on a reluctant Mr. Haddon-Cave by a combination of local pressure to meet housing goals, and pressure from Whitehall for more spending all round.

By the time any budget cuts begin to bite, the private sector boom may have collapsed under its own weight.

So having exacerbated the boom the Government will have to be careful not to exacerbate its sequel. Property development spending and new commitments are at such a high level that the only way in which the boom can be sustained is for the rate of increase in lending to be sustained.

That clearly is impossible unless Hong Kong is to get into a cycle of perpetual inflation and devaluation, which would be politically unacceptable to both the local population and to China.

Some economists view the current position of the property sector as potentially far more destabilising than the dramatic boom and bust of the stockmarket in 1973, which was a fairly limited event.

By the standards of other countries, property development is still quite cautiously financed in Hong Kong. Most developments are pre-sold and the equity element in financing is high. But lately there has been a lot of speculative investment in new developments.

Pre-selling provides no guarantee that the buyer will be able to produce the necessary progress payments, or mortgage on completion. Many new projects have been initiated on the basis of deposits which may turn out to be little more than speculative option money.

Money recently has become much tighter. Even Hong Kong Land now finds itself having to borrow on the basis of a margin over the higher of prime or interbank rate. If that is the case with the mightiest landlord of them all, lesser fry may soon be sweating.

Even if effective demand exists for all the property being developed (and that is far from clear) some bankers doubt that the financial sector has the capacity to meet the funding requirements of existing commitments.

If the financiers themselves are over-extended, the Government is likely to meet a lot of pressure to opt for a gradual but inflationary path out of the current difficulty. Some shakeout is inevitable.

It will have some hard thinking to do on trade-offs—most critically between the need to reduce money growth and inflation without setting off a crisis in the financial sector, and the need to maintain a stable currency without triggering a property sector collapse and a sharp, if short-lived rise in unemployment.

As the prospect looms of an end to Hong Kong's spending spree, there is concern about who will *get hurt in the ensuing economic slowdown.* **Philip Bowring** writes that the property sector is a leading candidate.

Unrest may boost Arab democracy

By Ihsan Hijazi in Beirut

THE TURMOIL in Iran may improve democratic prospects in neighbouring countries. Saudi Arabia, Kuwait and Iraq are reported to be contemplating injecting a measure of representation into their regimes.

Saudi Arabia's Shoura or Consultative Council is to be expanded and formalised, according to informed Arab diplomats.

The Council is formed of "elders," including religious leaders, as well as senior members of the royal family, who act as occasional advisers to King Khalid.

At present, the advice is sought when needed and the council does not meet in regular sessions.

A week ago, the Saudi Press, which is known to follow the Government line strictly, called on the King and Crown Prince Fahd to expand the Consultative Council and give it more power. It was an unusual demand by the state-supervised *Press and appeared to express* official encouragement from the Crown Prince.

Plans to establish a working Consultative Council to act as a legislature for the oil-rich kingdom was originally conceived under the late King Feisal as early as 1962. But he seemed progressively more reluctant to contemplate any representations before his assassination in 1975.

In Kuwait, meanwhile, officials have confirmed that the Crown Prince and Prime Minister Sheikh Saad al Abdullah has been holding contacts and consultations with the country's political leaders with a view to reviving Parliamentary life.

The Kuwaiti National Assembly and a considerable section of the constitution were suspended in August, 1976 by the late Emir Sheikh Sabah al Salem al Sabah, who died about a year ago and was succeeded by Emir Jaber al Ahmed.

New pro-Khomeini rallies in Tehran

BY SIMON HENDERSON IN TEHRAN

FORMAL GOVERNMENT in Iran appears near breakdown as supporters of Ayatollah Khomeini, the opposition religious leader, continued their efforts to establish an Islamic government.

Groups of Khomeini supporters yesterday marched through Tehran under the supervision of their own stewards while others employed in the office of Dr. Shahpour Bakhtiar, the Prime Minister, disrupted work by a sit-in. An under-secretary in the Prime *Minister's* department has publicly accepted the authority of Ayatollah Khomeini.

Today large marches have been called for by the Ayatollah in favour of an Islamic state and of Dr. Medhi Bazargan who he has named the Prime Minister of a provisional government. The marches are unlikely to overthrow the Government directly as people close to Dr. Bazargan say he is going slow on the formation of a cabinet in order to avoid confrontation with the army.

It is now understood that direct contact has again been resumed between Dr. Bazargan and senior generals after a lapse of a few days last week because of the euphoria surrounding the return from exile of the Ayatollah.

Dr. Bazargan apparently hopes to establish an Islamic government by the device of holding a referendum within two weeks. The referendum will simply ask whether people want a republic or a monarchy. Since the poll will be conducted through the organisation of the local clergy and mosques, the result is a foregone conclusion.

Such a device could well defuse the hard line opposition from some pro-Shah elements in the army. But before the referendum takes place there is always a danger of radical action.

Yesterday in Tehran about 2,500 people gathered in a sports hall to support Dr. Bakhtiar and the present constitution. The organisers promised a mass open-air meeting soon. However, the true strength of the grouping is unknown and yesterday's meeting needed the security provided by truckloads of soldiers and police.

In another effort to ease tension Dr. Bakhtiar has again reduced the curfew by one hour.

Mideast talks 'within 3 weeks'

BY ROGER MATTHEWS IN CAIRO

EGYPT EXPECTS to resume peace talks with Israel during the coming three weeks but is not optimistic about the changes of a breakthrough. President Sadat is waiting to hear from Washington about the proposed date for a resumption of the talks, which are likely to be held at ministerial level.

Israel has already indicated that it is ready to restart negotiations which have been stalled since the two sides failed to meet the December 17 target date for signing a peace treaty.

Dr. Boutros Ghali, Egypt's acting Foreign Minister, said yesterday that the situation in Iran had given a new impetus to signing the treaty and that it strengthened Egypt's bargaining position.

● **David Lennon adds from Tel Aviv:** Israel will not withdraw from the Alma oilfield which it discovered and operates in the Gulf of Suez unless Egypt guarantees to supply oil from the field to Israel, Mr. Yitzhak Modai, the Minister of Energy, told the FT.

The agreement between Egypt and Israel on oil supplies will have to be attached to the peace treaty, probably in the form of a letter, the Minister said.

● **Ihsan Hijazi adds from Beirut:** Renewed clashes here between Syrian troops of the Arab League peace-keeping force and Christian militias have brought traffic between Moslem and Christian suburbs to a standstill. One person was killed and three others wounded in the violence during the past 24 hours.

Bhutto appeals played down by Pakistan

By Chris Sherwell in Islamabad

PAKISTAN'S military Government indicated yesterday that there would be no public response to the stream of pleas for clemency made by world leaders on behalf of Mr. Zulfikar Ali Bhutto, the condemned former Prime Minister.

Officials refused to say how many appeals had been received, but claimed that neither the number nor the swiftness of the appeals amounted to anything extraordinary.

Internally, minor incidents have been reported from various parts of the country. But the widespread display of force by police and army units and last weekend's pre-emptive arrests of supporters of Mr. Bhutto appear to have curbed reaction.

Mr. Bhutto, whose death sentence was confirmed on Tuesday by a 4—3 decision of Pakistan's seven Supreme Court judges, received official notification of the verdict yesterday afternoon.

He has seven days in which to lodge a mercy petition with General Zia-ul Haq, Pakistan's military ruler. Mr. Bhutto has said consistently that he will not plead for mercy but family sources have not ruled out the possibility of an appeal.

Confusion on troops for Zaire

BY GILES MERRITT IN BRUSSELS

REPORTS arriving here from Zaire yesterday added to the confusion surrounding the Belgian Government's decision to send 250 paratroopers to the Kinsasha area.

According to the reports, General Mobutu, the Zairean President, has stated that the situation in the area remains calm. In an interview apparently intended for distribution only outside the country, he has attributed rumours of unrest in Zaire to hostile elements.

The Belgian Government insists that its decision to mount a military operation comparable to the one which followed the Kolwezi massacre in Shaba province last May was taken within the framework of its training pact with Zaire, and thus required no invitation from the Mobutu Government.

Shortages of food, fuel and medical supplies in Zaire have been reported here, but there have been no firm indications of a serious threat to the white mainly Belgian, population of 30,000.

Reaction to the Belgian Goverment's decision, therefore, has tended to be negative, with some newspapers suggesting that the operation constitutes "unadulterated colonialism aimed at defending Belgian copper and cobalt interests in Shaba."

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144	1944	3544	5244	6844	9644	11444	13044	15044	17044	19144	20744	22444	24144	25644	27544	29144
444	2144	3644	5444	7044	9844	11644	13244	15144	17244	19244	20944	22544	24244	25744	27644	29244
644	2344	3944	5544	7244	9944	11744	13344	15444	17344	19344	21144	22644	24344	25844	27844	29344
744	2444	4044	5844	7644	10044	11844	13644	15544	17444	19444	21244	22944	24444	25944	27944	29444
844	2544	4244	5944	7744	10144	11944	13944	15644	17544	19644	21344	23044	24744	26044	28144	29644
944	2844	4544	6144	7944	10344	12044	14044	15744	17644	19744	21444	23244	24844	26144	28244	29844
1044	2944	4744	6244	8044	10544	12144	14144	15944	17844	19844	21644	23844	24944	26244	28444	29944
1144	3144	4844	6344	9044	10644	12244	14244	16044	18044	19944	21744	23744	25044	26644	28544	
1244	3244	4944	6444	9144	10744	12444	14344	16344	18144	20044	21944	23844	25344	27144	28844	
1344	3344	5044	6544	9244	11144	12544	14844	16544	18544	20144	22044	23944	25444	27244	28944	
1844	3444	5144	6644	9344	11244	12944	14944	16944	18944	20344	22344	24044	25544	27444	29044	

On March 1, 1979, the Notes designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Notes will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the **corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, New York 10015,** or (b) at the main offices of Morgan Guaranty Trust Company of New York in London, or Commerzbank Aktiengesellschaft in Frankfurt (Main), or Credit Lyonnais in Paris, or Kredietbank S.A. Luxembourgeoise in Luxembourg, or Societe Generale de Banque S.A. in Brussels, or Swiss Bank Corporation in Basel or Union Bank of Switzerland in Zurich. Coupons due March 1, 1979 should be detached and collected in the usual manner. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by a transfer to a dollar account maintained by the payee, with a New York City bank.

On and after March 1, 1979 interest shall cease to accrue on the Notes herein designated for redemption.

Following the aforesaid redemption, $25,200,000 principal amount of the Notes will remain outstanding.

AUSTRALIAN RESOURCES DEVELOPMENT BANK LIMITED

January 25, 1979

NOTICE

The following Notes previously called for redemption have not as yet been presented for payment:

958	969	1034	1046	1119	1163	1216	1231	1230	5648	8874	12688	13525	18245
977	1013	1037	1061	1142	1180	1230	1236	5637	5736	8923	13523	13527	22144

Republicans hedge their bets on budget amendment

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE political battlelines now being drawn over the proposed constitutional amendment requiring the Federal Government to balance its budget are starting to take interesting and not always predictable shape.

At a special conference held in Maryland over the weekend, the Republican Congressional hierarchy eschewed the tempting course of backing a constitutional convention to consider such an amendment.

This is the tactic being recommended by Mr. Jerry Brown, the Democratic Governor of California, and some, but not all, conservative Republicans if Congress itself does not enact a balanced budget amendent. The last fully-fledged constitutional convention was the original session which drew up this country's constitution, over 200 years ago.

Instead, the Republicans adopted a much milder resolution, blaming, inevitably, the Democrats for causing mounting deficits, calling on Congress to balance the budget in the 1981 fiscal year and to consider some form of constitutional amendment limiting the growth in federal spending.

Pusillanimous

To some Republicans, including Senator Robert Dole, a Presidential hopeful, this was a pusillanimous attitude, since it could enable Democrats to take over what ought to be a Republican issue, much as the opposition party so successfully pre-empted Republican ground on economic issues in last November's midterm elections.

However, it is also clear that President Carter's fundamental objections to the idea of a convention—that it could be uncontrollable and lead to the passage of an amendment that would tie the Government's hands even in times of emergency, such as recession or war—strikes some chords among the Republican leadership.

Congressman John Rhodes, minority leader in the House, said that he thought a constitutional convention amounted to "gimmickry." Even Senator Paul Laxalt, a leading Conservative who was Ronald Reagan's campaign manager two years ago and is actively sponsoring the latter's proto-Presidential campaign now, is equally negative.

Some conservatives, who believe that the Republican Party may miss the chance to ride a popular vehicle to electoral success, are arguing that the debate merely serves to demonstrate the resistance of the Washington establishment to change, and the supremacy of Congress.

Disagreements

This sentiment was apparently felt most among state party officials also present at the Maryland meeting. So far about two dozen state legislators have passed motions requiring a balanced federal budget.

In spite of the patent disagreements, there will be Congressional deliberation of the issue this year. Yesterday, Mr. Peter Rodino, the New Jersey Democrat who heads the House Judiciary Committee, promised to hold hearings on the proposition shortly.

At least two senators, Mr. John Heinz, the Pennsylvania Republican and Mr. Richard Stone, the Florida Democrat have announced that they will introduce more modest budget balancing bills this session, their proposals are based on the so-called Friedman amendment, named after Milton Friedman the economist, which would basically hold the growth of federal spending to the rate at which the economy expanded in the previous year.

Several states have in recent years passed into law variations on this and some Republicans and Democrats are now advancing it as a moderate alternative to the more extreme constitutional convention cause.

For his part, Governor Brown resolutely denies that in backing the convention he has saddled himself with a conservative label. He argues that his emphasis on the balanced budget was only "a symbol," and a way of getting necessary discussions under way.

Mysterious U.S. bank buyer puzzles Israelis

BY DAVID LENNON IN JERUSALEM

ISRAEL PLANS to amend its banking laws to force the mysterious purchaser of 33 per cent of the stock in the country's fourth largest bank to reveal whom—if any one—he represents.

One third of the stock in the First International Bank of Israel (FIBI) was sold recently by the First Pennsylvania Corporation of the U.S. to a Mr. John D. Marsh of Gainsville, Virginia.

The news of the sale caused consternation in Israel, as Mr. Marsh is unknown in financial or political circles here. He has not apparently made any official inquiries in Israel about the position of FIBI prior to the purchase.

Officials in the Bank of Israel and executives of the FIBI were also slightly surprised by the $12m purchase price which they believed was higher than the stock value.

The Bank of Israel officers were reported to be concerned that Mr. Marsh might be acting on beshalf of Arab investors.

It has long been feared here that the Arabs might use their oil wealth to try to gain control of major Israeli institutions, and use this power to undermine the country's economy.

The Banking Licensing Law, currently passing through the Knesset, would require any private investor purchasing more than 26 per cent of bank stock to obtain prior approval from the Bank of Israel before the deal can be concluded.

The Bank of Israel now intends to adjust the proposed regulations retrospectively to cover the purchase by Mr. Marsh, even though the transaction was completed before the new law has been finally approved by Parliament.

In this way, Mr. Marsh would be forced to disclose his interests.

Mr. Oded Messer, banking controller at the Bank of Israel, said that he was "excited though not worried" by the news of the purchase. Following intensive inquiries, Mr. Messer said that he now knew who Mr. Marsh was, but added that he did not know if the investor was representing other interests.

Mr. David Golan, managing director of the FIBI, flew to the U.S. to see Mr. Marsh. He said that he was satisfied that the purchaser had the means, but he, too, said he did not know who Mr. Marsh represented.

All that appears to be known here is that Mr. Marsh is a founder and former chairman of the Aetna Variable Annuity Life Assurance Company, a subsidiary of one of the leading U.S. insurance companies, Aetna Life and Casualty. Today, at the age of 73, he is retired and is believed to concentrate mainly on breeding racehorses.

Both Mr. Messer and Mr. Golan have said that they are not concerned about who might be behind Mr. Marsh, as long as the investor did not try to make changes in the day-to-day management of the bank or in its policies.

Stewart Fleming adds from New York: Mr. Marsh, speaking from his home in Virginia, said yesterday that he was not representing Arab interests.

"I am not an Arab," he remarked. He had bought the stake as an investment. The opportunity had been brought to his attention by a Jewish friend at a brokerage house in Washington, Sade and Co., who had advised him on investments for many years. He had not had any previous banking interests.

Brazil looks to the southern hemisphere

BY DIANA SMITH IN RIO DE JANEIRO

BRAZIL has historically looked to the north for its trade and political allies, first to the Portuguese, whose explorers, monarchs and emigrants built the bones of the Brazilian state, and then, in the 19th-century, to France and Britain.

From the 1930s, Brazil turned to the U.S., receiving heavy doses of Coco-Cola, Protestant evangelism, multinational companies, investment and American-style advertising.

Potential partners in the southern hemisphere were neglected; despite Brazil's marked affinity with West Africa—in climate, flora, geology and race—and the comparatively short distance which separates the continents.

"Neo-colonialism" is a term frequently applied to the U.S.'s advent on a scale which made the U.S. Brazil's largest trading partner and foreign investor, with $3.7bn invested and re-invested.

The large visible U.S. presence, and a tendency by Washington or U.S. businessmen to talk down to local officials or individuals, caused overt or covert resentment. Latent animosities exploded in 1976, when President Carter included Brazil in his list of major violators of human rights. Since then, although the Brazilians have been icily polite, in public, and senior U.S. officials have moderated their tone. Brazil has had more than economic reasons for wanting to diversify its trade.

The Deutsche Marks, Yen, Francs or Pounds, equivalent to $8bn, now invested in Brazil, have led to a relative decrease in the weight of U.S. investment. Growing exports and imports, to and from West or East Europe, the Middle or Far East, Africa, and Latin America, re-assure the authorities that Brazil now has a choice of markets and a chance to speak up more confidently in such bodies as GATT or UNCTAD.

Capital equipment bought from Europe, on favourable terms, or technology blueprints absorbed from European sources—far less reluctant to let Brazil in on advanced techniques than their U.S. counterparts—convince Brazil that the days are over when it had to settle for sometimes obsolete foreign production techniques.

While European negotiators and businessmen seek viable, amiable common ground with Brazil, and the Japanese methodically master every detail of Brazilian attitudes, U.S. efforts to start anew are hampered by sporadic lapses, such as remarks that U.S. businessmen are worried by the "preferential treatment meted out by Brazilian authorities to Brazilian businesses."

The consensus that the U.S. can now be dealt with, rather than succumbed to, was reached in the second half of the five-year Administration of President Ernesto Geisel, as the deliberate diversification of foreign relations and trade began to bear fruit.

The Administration headed by Gen. Joao Baptista Figueiredo, which takes over on March 15, will strengthen these new priorities. Latin America and Africa will move to the head of the list of main partners, followed by the EEC, the Middle and Far East. The U.S. comes last.

There are two reasons why Brazil can now strengthen its relations with Africa, according to foreign affairs experts: Brazilian industrial development has made Brazil's tropically geared technology and goods internationally marketable; and the racial and social characteristics of Brazil can be more readily grasped by the African than those of the U.S. or Europe.

Brazil's main African partners are Nigeria (with which two-way trade rose from under $20m to $225m in five years, with the groundwork now done for $3bn worth of trade over the next five years), the Ivory Coast, Angola and Guinea-Bissau.

The Ivory Coast is of double importance for Brazil, as a major ally in international cocoa price negotiations — the Ivory Coast is the world's largest cocoa exporter and Brazil the third largest — and as a major banking centre.

While Nigeria will not allow foreign banks to operate without a 60 per cent Nigerian shareholding, the Ivory Coast permits 100 per cent foreign banking operations. Thus, Brazilian banks are opening there as rapidly as they can.

From Nigeria, Brazil is buying large quantities of oil, as well as sufficient quantities of natural rubber to build up its stocks — an irony for the nation which, in the 19th century, supplied the world with rubber. Brazil also buys Gabonese oil, albeit in smaller quantities.

With the extension of territorial waters to 200 miles (roundly criticised by the U.S., whose fleets once fished freely in the South Atlantic) Brazil hopes to reach agreements with Nigeria on fishing.

The tiny, swampy former Portuguese colony of Guinea-Bissau is now an important recipient of Brazilian technology for agriculture, fishing and hydrography, and is a useful testing-ground for Brazilian techniques.

With Angola, Brazil has established what it now describes as "very good" relations, although trade itself has been slow. But, as foreign trade authorities say, "Angola is fighting for its survival, and has very little to spend on trade." Brazil is supplying cloth for the Angolan army's uinforms, taking great care to sell nothing more warlike, as well as something which may become the secret weapon of Brazil's future international cultural penetration, the marathon Brazilian television soap opera, or "Novela."

Heavily sentimental novelas, each consisting of about 180 hour-long instalments, have already taken Portugal by storm. That they have also captured revolutionary, Marxist Angola has startled Brazil's trade negotiators, and given them hope that the novela might become the heir to the U.S. Western.

Flood deaths reach 600

Floods have claimed more than 600 lives in the states of Minas Gerais, Espirito Santo and Rio de Janeiro. In Minas, 256 have died and 200,000 are homeless. Rik Turner writes from Sao Paulo. In the Linhares region of Espirito Santo, 300 have died and 5,000 are homeless. In Novo Friburgo, in Rio de Janeiro state, a landslide on Tuesday killed 49 people and buried scores of houses.

Washington Post buys business magazine

By John Wyles in New York

THE Washington Post is to make its first incursion into business magazine journalism through the acquisition of Vision, the Paris-based monthly which is published in four languages.

Preliminary agreement on the purchase has been reached between the publishers of Vision and Newsweek Inc., the Washington Post subsidiary which publishes Newsweek magazine.

Newsweek said yesterday that the purchase price would not yet be disclosed. Vision, which has a claimed circulation of 125,000 copies throughout Europe, is the first magazine tho Washington Post has acquired through Newsweek, the U.S.'s second largest weekly news magazine.

The acquisition could well make Newsweek an important new ingredient in European business journalism. After years of stability, the scene has recently ben undergoing rapid change with the Financial Times publishing five editions a week in Frankfurt, Trafalgar House launching a new business weekly in Britain shortly, and Sir James Goldsmith voicing plans to launch a business publication.

Vision is published in four languages, English French, German and Italian and is directed primarily towards company executives in Western Europe and the Near East.

Trudeau gains popularity

TORONTO — Mr. Pierre Trudeau's ruling Liberal Party, facing general elections this year, has climbed to within one percentage point in popularity behind the Opposition Progressive Conservatives, according to an opinion poll published yesterday.

Last November the Liberals were 10 points behind and looked to be heading for electoral defeat for the first time in more than 15 years. The new survey, published by the Toronto Star newspaper, said that the Conservatives were backed by 40 per cent of voters, and the Liberals by 39 per cent. Of those asked, 29 per cent were undecided.
Reuter

WORLD TRADE NEWS

GATT NEGOTIATIONS

Strauss urges Congress to waive countervailing duty

BY DAVID BUCHAN IN WASHINGTON

THE CARTER Administration yesterday opened its campaign to get Congress to allow subsidised imports into the U.S. without penal duties, until the Multilateral Trade Negotiations in Geneva are completed.

Mr. Strauss, the U.S. trade negotiator, reminded the House of Representatives' Ways and Means Committee that "the stakes are high," and that Washington's key negotiating partners, notably the European Community countries, had flatly refused to put their seal on a Geneva agreement, unless Congress extended the Administration's power to waive the imposition of countervailing duties on subsidised imports.

He carefully stressed that the waiver request — which has the support the Ways and Means chairman, Mr. Al Ullman—was vital, but procedural.

Extending the waiver authority, which ran out on January 2 after four years, would not in any way condone foreign subsidy practices.

Indeed, "the express intent" of the waiver extension was to get a world trade pact with an agreement on subsidies and countervailing duties which would benefit the U.S.

The lapse of the waiver some six weeks ago has had little practical effect. The U.S. Treasury has, as required by law, had to take some action, but has not actually collected any countervailing duties from importers.

However, some $500m of European farm exports, subsidised under the common agricultural policy of the EEC, are liable to these duties.

The U.S. Special Trades Representative, Mr. Robert Strauss, told the House of Representatives' Ways and Means Committee that the Multilateral Trade Negotiations would be finished by the end of this month. "We will conclude them by the end of February," he said.

The EEC regarded failure by the Congress to extend the waiver last autumn as attempted strong-arm tactics by the U.S. at the Geneva negotiating table.

The EEC therefore refused to conclude any overall trade agreement until Congress formally lifted this threat.

Mr. Strauss is also due to see Mr. Nobuhiko Ushiba, Japan's trade negotiator and his counterpart in the Geneva trade talks, who arrived in Washington yesterday.

The dispatch of Mr. Ushiba and two other senior Japanese officials, plus the coincidental visit here by deputies from the Japanese Parliament (Diet), appears to mark the seriousness with which the Government of Mr. Ohera is taking its bilateral trade problems with the U.S.

Earlier this week Mr. Takeshi Yasukawa, who is Mr. Ohira's man now in charge of Japan's external economic policy, and a senior representative from the Tokyo International Trade and Industry Ministry, arrived here.

Officials in Washington say they do not want to put too much pressure on Prime Minister Ohira only two months after taking office. Mr. Ohira, they say, probably needs a bit more leeway to change the policies he inherited from the previous Government.

The moves the U.S. would like him to make to redress the huge deficit the U.S. runs with Japan—such as letting in more U.S. imports—would not have an immediate effect.

At the same time, Japanese assurances of a lower current account surplus this year with the U.S. and the rest of the world are misleading, they say.

The official Japanese forecast is for a $7.5bn current account surplus in this fiscal year, while the U.S. reckons it will be of the order of $10-13bn.

New Saudi telephone deals expected

BY JAMES BUCHAN IN JEDDAH

SAUDI ARABIA is likely to extend its major telephone expansion project by as much as 50 per cent, the Minister of Post Telephone and Telegraph, Dr. Alawi Darwich Kayal, has confirmed here. This would mean additional spending of as much as £800m.

In an interview with the Jeddah weekly magazine Saudi Business Dr. Kayal said that the Government is now seeking to merge the telephone expansion programme under the current Five-Year Plan with part of the work envisaged for the 1980-1985 Plan now under preperation.

He added that the Government was considering contracts for an additional 285,000 lines, in order to save both time and money.

The new lines would be in addition to the current Plan's provision of 475,000 lines, due to be completed at the end of next year under a tight schedule.

In December 1977 a consortium of L. M. Ericsson of Sweden, Philips of the Netherlands and Bell of Canada was awarded a SR 10.8bn (£1.6bn) contract to instal and operate the new lines.

The contract was the largest of its kind ever awarded. It proposed a line density of 25 per 100 persons in the major towns which was to be extended to 25 per 100 for the whole country in the third Plan. When work began at the begining of last year there were only some 162,000 telephone lines operational in Saudi Arabia.

But it appears that fears of increased costs—which have bedevilled the project since its birth in the 1975 Plan as an SR 900m scheme—and the disruption to the system from major work in the 1980s had prompted the PTT Ministry to study an immediate extension.

Technip Yugoslav order

BY DAVID WHITE IN PARIS

TECHNIP, the French plant engineering group, has won an international tender for a methanol unit at Kikinda in Yugoslavia, worth about FFr 300m ($70m).

The 200,000-tonne-a-year plant, on a gas field site about 60 miles north of Belgrade, will be based and ICI's low-pressure methanol synthesis process. At a later stage it will also use the Texaco process for synthesis gas preparation by partial oxidation and the Tenneco process for carbon monoxide extraction.

U.S. worry over semi-conductor imports

SAN FRANCISCO — Japanese exports of semiconductors in 1978 increased to 16 per cent of its total value of production from only 1 per cent in 1974, according to a survey by the Bank of America.

The bank said construction of highly automated production facilities in Japan will provide Japanese producers with continued incentives to operate at full capacity and to increase sales abroad.

The Bank of America said 1978 production in Japan of integrated circuits rose to 1.06bn units from 828m in 1977, but production of discreet devices declined to 9.80bn units from 9.89bn.

The bank of the top five producers of semi-conductors in Japan accounted for around 67 per cent of all domestic production and the top 10, nearly 80 per cent. It said the top 10 Japanese semiconductor producers accounted for around 60 per cent of total consumption.

Japan's semiconductor imports, both in unit and value as a percentage of total production, have been declining despite the strengthening of the yen.

It said it expects Japan's semiconductor imports will continue to decline.

Reuter.

Dunhill fashions set to step up Japanese success

BY CHARLES SMITH IN TOKYO

A Y1.7m (£4,250) man's fur-lined raincoat is being exhibited in Tokyo by Alfred Dunhill in a display of luxury menswear aimed at Japanese businessmen.

The coat is part of Dunhill's second Tokyo fashion show. Since the first, held in February, 1977, Dunhill has seen men's clothing sales rise from almost zero to about 25 per cent of the £3m to £5m-worth of luxury goods it sells in Japan.

Indeed, Japan is well ahead of other foreign markets for Dunhill clothing, apparently because of the reputation acquired by the company's lighters and smoking accessories before it was decided to move into clothing.

English gentleman

Dunhill's image in Tokyo is connected closely to that of the traditional "English country gentleman." Because of this the company tries where possible to have its goods manufactured in Britain.

The bulk of the Dunhill lighter range, however, and some of the men's clothing are made in Europe, although an executive stresses that "everything physically passes through Britain before being re-exported."

Most of Dunhill's lighters are manufactured in Switzerland, while some of its range of luxury men's clothing is produced in Italy.

£4,250 raincoat

Dunhill sells clothes in Japan through 108 retail outlets (far more than in any other overseas markets) including 20 "shops within shops." In most cases these are located in major Japanese department stores. The company says it will be represented in every major Japanese city by the end of 1980.

Despite the publicity-gaining £4,250 raincoat, Dunhill's main clothing sales actually consist of sweaters and other knitwear. The prices of such goods can range up to Y65,000 (£162) or beyond.

Dunhill says it has never licensed its products to local manufacture in Japan and never will. It differs in this from successful French clothing designers, such as Pierre Cardin and Christian Dior, whose locally manufactured clothes now hold sizeable shares of the Japanese mass market.

Legal framework near completion

BY BRIJ KHINDARIA IN GENEVA

ONE OF the innovations to emerge from the Tokyo Round of trade talks is a new legal framework for the General Agreement on Tariffs and Trade (GATT) which governs world trade.

Negotiations to revise the existing framework are now awaiting developments in other sectors of the Tokyo Round for the final push to settle remaining differences.

The talks were begun in 1976 on the basis of a Brazilian proposal whose aim was to change laws governing international trade to reform the world's trading system in line with the developing country demand for a new international economic order. But the results obtained so far seem to have satisfied no one.

Although developing countries have won some important steps towards their view of a fairer system of world trade, the industrialised countries have insisted on getting a return for every concession made.

Some crucial battles remain to be fought before the reform programme is completed but the basic outline is unlikely to change. As worked out so far the negotiators, called the framework group, have developed five main issues as part of the reform programme.

The most important issue for developing countries is the "enabling clause" which makes it legal for a GATT member to give privileged treatment to any developing country. Under existing GATT rules the most favoured nation clause applies, so that any favour given to one country has to be offered equally to all other GATT members.

After obtaining special derogations from GATT in the past, the United States and the Common Market set up "generalised schemes of preferences" (GSP) designed to offer special trade concessions to developing nations only. The most favoured nation principle was retained in dealings with developing nations under the schemes but was not extended to developed countries.

The enabling clause fixes GSP and other special treatment as normal features of world trade thus formally legalising the right of developing countries to get privileges. Developed countries are not obliged to establish offers such as GSP, but they can no longer invoke GATT rules as a pretext for not doing so.

As *quid pro quo* for accepting the enabling clause the developed countries are seeking acceptance that GSP offers may be phased out in line with advancing economic development in nations receiving the privileges.

Another major developing country demand was for special privileges concerning safeguards. Developing nations do not use the safeguard clause contained in GATT's Article 19 which allows for import curbs in exceptional cases of proven harm to domestic industries.

Instead they use the argument that some of their industries need protection for the sake of national economic development, and imports need to be restricted to restore balance of payments equilibrium.

This demand has been more or less conceded by developed nations with the proviso that the curbs are recognised to be undesirable as a balance of payments measure and should be taken in a manner that does not distort normal trade flows.

The United States has insisted that it cannot get any Tokyo Round package containing special concessions for developing countries through Congress without obtaining something in return. This has led to the introduction of the concepts of reciprocity and export restrictions, both of which are anathema to developing nations.

It is likely however, that the developing nations will accept that they cannot expect privileges in those sectors that compete effectively, in home or third markets, with developed country exports. The notion of export restrictions is meant to be something more than export restraint.

In effect, developing countries have agreed to restrict exports of certain processed goods in order that developed nations do not find themselves in short supply of raw materials because they are being processed before being exported.

The framework negotiations also contain an issue of interest mainly to developed nations, particularly the U.S. and the EEC. This concerns consultations, surveillance and dispute settlement procedures under GATT.

Tokyo signs railway agreement with China

TOKYO—Japan agreed yesterday to help China modernise its railyway system in the first government-level technical co-operation between the two countries. The Foreign Ministry said Japan and China exchanged formal documents on the technical co-operation in Peking.

The accord calls for Japan to provide technical assistance to China to modernise a 137-kilometre stretch of a railroad line between Peking and Tientsin and 696 kilometres between Peking and Cheng-chow.

Japan will help China to electrify those lines, run them with the use of a computer system and to instal an automatic control system to operate passenger and freight trains. China is reported to be hoping to complete the project by 1981, but Japanese officials fear it may take longer.

The Ministry said the first of Japan's technical missions will leave for Peking on Friday to discuss details. The second will leave Tokyo on February 14. These missions will also conduct preliminary surveys of China's railway system. About ten Chinese technicians will then visit Japan in March for two months' training by the Japan National Railways Corp.

West Germany and France are understood to be negotiating possible railway co-operation with the Chinese but have not apparently reached an agreement. Japan and China had been negotiating since last July. The cost of financing the project hasn't been determined.

● Fluor said it had received an $11m contract from the China National Technical Import Corporation of China for management services and procurement of equipment for two petroleum processing research facilities.

The company said the facilities will be installed at Peking and Fu Shun in northeastern China. The projects are aimed at improving China's ability to research and develop petroleum refining.

Agencies

British groups' China work may earn £1bn.

BY PAUL CHEESERIGHT

BRITAIN AND China are to collaborate in the development of China's non-ferrous mineral reserves under an agreement which opens up the possibility of export orders for the UK worth about £1bn over several years.

The agreement was announced yesterday following the return to London from China of a Government non-ferrous metals mission.

Britain is to formulate initial development proposals for six mineral projects. They will be drawn up by Charter-CJB, a company established by the mining finance house Charter Consolidated, the John Brown Construction group and Seltrust Engineering, a subsidiary of Selection Trust. The deadline for proposals is March 31.

The speed demanded by the Chinese is an indication of the priorities being set by the Peking Government for industrial development, and the response by the UK companies involved represents a decisive move into a potentially lucrative market for the sale of mineral services.

But it is by no means certain at this stage that the proposals will be translated into firm orders. The Chinese have agreed to start negotiations on possible contractual agreements within a month of receiving the proposals.

But the UK mission was told, there was international competition for the sale of development packages on some of the projects. Should the UK companies reach the stage of signing contracts, then the total value of the engineering and design services and the procurement of equipment could be in the region of £1bn.

Payment for such development packages remains to be negotiated, but the form adopted will be "compensation trading." This involves taking some of the proceeds from the marketing or sale of Chinese minerals.

The six projects being studied by Charter-CJB and Seltrust Engineering are the expansion of a mine at the Yuanqu copper deposit in Shanxi Province; the expansion of a tin mine at Kechiu, Yunnan Province; the development of lead-zinc mines at Cheng Xian, Gansu Province and Shi Tie Shan, Qinghai Province; the development of a tungsten mine at Chengxian, Hunan Province and the development of a cobalt mine on Hainan Island.

At this stage it has not been decided how Charter-CJB and Seltrust Engineering will apportion the planning work between them, but they will not end up in competition. To some extent they bring complementary skills: Charter-CJB has experience in tin, while Seltrust Engineering has experience in copper.

Their sketchy knowledge of the ground conditions and the speed with which their proposals will have to be compiled inevitably means that their plans can be firm only for the initial stages of development. Total cost projections will be indicative.

Their work will, it is hoped in Whitehall, be only the start of a lasting mineral collaboration between the UK and China. Under the terms of the existing agreement, proposals for exploration projects will be submitted to Peking at a later date. UK companies are in any case to be approached about the drawing u pof plans for titanium, magnesium and aluminium ventures.

All these projects involve the provision of services, but the UK mission made it clear in Peking that companies were interested in joint ventures with Chinese concerns. No ideological objection to this came from the Chinese.

Abbey National warns of wage crush on housing

BY MICHAEL CASSELL

THE RETURN to more stable house prices could be short-lived if the Government fails to hold down wages, the Abbey National Building Society warned yesterday.

The society, which confirmed its earlier estimates that average prices in 1978 rose by around 28 per cent, said there had been a considerable slowing in the rate of price increases in the last part of the year. While prices rose by over 9 per cent on average in the third quarter of 1978, they increased by under 6 per cent in the last three months.

But it warned that indications of a levelling in price rises could be upset by a further round of wage increases, which in turn could affect the housing market.

The society defend building societies against accusations that the level of mortgage lending has a direct effect on prices, which it said were not supported by the evidence.

It pointed out that despite a large increase in the number and size of loans in 1977, prices had generally risen by only a little over 7 per cent. In 1978, while the flow of funds was held back at the Government's request, house prices rose by nearly 30 per cent. The Abbey says they rose by 34 per cent in the south east.

In its breakdown of the housing market, the Society said the highest price rises had taken place in the Greater London area and the south east. The most expensive property in the UK is, according to the Society, a detached house within the GLC area which now averages £38,005 and shows a 42 per cent rise over the last year.

In Scotland, however, average prices last year rose by only 15 per cent. Yorkshire and Humberside remained the least expensive areas, with terraced houses averaging £7,800—a 16 per cent rise over the 12-month period.

Abbey National says the proportion of single women buying homes has remained at 6.4 per cent of all purchasers, although the figure is just under 12 per cent in the London area.

Editorial Comment Page 24

More big companies change accounting policies

By Michael Lafferty

A SUBSTANTIAL minority of major UK companies are departing from the traditional historic cost accounting convention in their main accounts.

That is revealed in the latest survey of published accounts by the English Institute of Chartered Accountants. The survey covers 300 big industrial companies in the UK. Of these, 7 per cent have modified historic cost accounting policies—mainly by the provision of extra depreciation based on the replacement cost of fixed assets—and a further 9 per cent have revalued fixed assets. This appears to bear out the argument of state companies such as British Gas that they are not alone in departing from historic accounting.

The survey shows that a growing number of big companies are now including value added statements in annual reports: 22 per cent of the companies in the latest survey do so, compared with less than 5 per cent two years ago. Value added statements were first advocated in the accountancy profession's controversial discussion paper, "The Corporate Report," published in 1975. The suggestion has since been adopted by the Department of Trade in discussion documents.

But there is little enthusiasm among top companies for some of the other suggestions in "The Corporate Report." Only 17 companies have employment reports, only four have statements of money exchanges with government, two publish statements of transactions in foreign currency, while there are six statements of corporate objectives.

The survey reveals that there has been only a modest increase in the number of companies publishing even the most basic data analysing separate trading activities. Useful disclosures about accounting for pensions—the latest area of controversy in accounting—are almost non-existent.

Survey of Published Accounts, 1978. Price £10.95. The Institute of Chartered Accountants in England and Wales, P.O. Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 2BJ.

Schreiber given £6m factory loan by EEC

BY COLLEEN TOOMEY

SHREIBER INDUSTRIES, the General Electric subsidiary, ended its search for finance to build a furniture factory yesterday with a £6m loan from the European Investment Bank, the EEC's long-term finance body.

The loan, at an interest rate of 8.2 per cent for seven years, will help create 1,000 jobs on Merseyside, where unemployment is twice the national average. The factory will produce bedroom and kitchen furniture and should be fully operational by 1981 at a capital cost of around £14m.

In May last year the company objected to the Government's insistence that its pay policy rules be accepted as a condition of receiving a State grant. The Government said companies receiving State aid or accepting public contracts should sign papers stating they would abide by the 10 per cent pay policy limits throughout their business.

After a month of argument between GEC and the Government, Schreiber agreed it would do everything it could to uphold the pay policy as a condition of receiving a £5.5m grant and the Government agreed to drop pay policy conditions on State aid.

The investment, including stocks and working capital, for the new factory is £18m. The EIM is contributing £6m, the Government £5.5m and a further £6.5m will come from Schreiber, 62.5 per cent controlled by GEC.

Schreiber's, whose turnover in the last financial year was around £60m, has around £20m of the £120m market for kitchen furniture in Britain. The total UK furniture market is estimated at about £800m, of which the company has the largest share.

Healey asked to cut farmers' taxes

BY CHRISTOPHER PARKES

MR. DENIS HEALEY, Chancellor of the Exchequer, has been asked to reduce the taxation of farmers and landowners in the next budget.

"Excessive" taxation discouraged the investment necessary if the Government's food production targets were to be met, Mr. Roger Paul, president of the Country Landowners' Association, said in a letter.

Mr. Paul, representing about 47,000 members who own 60 per cent of the agricultural land in England and Wales, asked for a meeting with the Chancellor to put his case.

The CLA has 38,000 farmers on its membership roll but also represents corporate members such as insurance companies and pension funds.

Mr. Paul complained of tax rate higher than those for farmers elsewhere in the EEC and discrimination against owners who let land to tenant farmers.

An owner letting land paid 15 per cent investment income surcharge regardless of what effort he put into managing his estate.

He also lost the capital transfer and capital gains tax relief that would be available if he stopped letting it, and because of his inability to reclaim value added tax he found it difficult to finance repairs.

Stockbrokers expect rise in MLR

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

FURTHER WARINGS of a rise in the Bank of England's Minimum Lending Rate came yesterday from two leading firms of City stockbrokers.

Brokers Rowe and Pitman warn that given worsening market expectations about inflation and current budgetary policy, the scale of funding necessary to restrain the rate of monetary growth to that consistent with the exchange rate stability will require an engineered rise in interest rates.

"Thus it is probable that MLR will be raised in the near future. The increase will probably be large and of a pre-emptive nature, as in November when MLR was raised 2½ per cent. And though the precise timing of the increase is impossible to predict, action will probably be galvanised by a deterioration on the monetary front (such as worrying money supply figures) or by further deterioration on the wages front."

On a longer-term view, over 1979 as a whole—the brokers suggest that the present tax and public spending policies will severely limit the possibility of any large fall in interest rates. But on the encouraging side is the possibility of a slower growth of private sector demand for bank advances later in the year and a tighter fiscal policy after an election.

Brokers Sheppards and Chase say it is increasingly unlikely that the authorities will be able and inclined to get through to this year's election without acknowledging the higher level of money rates by a higher MLR and lower tap prices of gilt-edged stock.

"The only question to be answered is whether the banks will seek to pre-empt any official action by raising their base rates immediately.

"Not for the first time, the Bank of England is left with the choice between raising MLR (with all the approbrium that would arouse in an election year) or allowing it to become an irrelevance."

Sheppards and Chase consider interest rates should start to fall, perhaps rapidly, between the early summer and the late autumn on the view that the problems of the nation and the financial markets are predominantly cyclical.

Customs receipts up 13%

By David Churchill

HIGHER REVENUE from petrol, tobacco, and drinks has enabled the Customs and Excise to report that receipts are up by almost 13 per cent, according to its annual report published yesterday.

Receipts for the year ending March 31, last year, totalled £12,287.4m and means the Customs and Excise now accounts for over a third of all central government taxation.

The largest single element in Customs and Excise receipts was collection of Value Added Tax, which represents some 34 per cent of the total revenue. VAT receipts were up by 12.3 per cent to £4,234.8m. But receipts from excise duty on hydrocarbon oil rose by 19 per cent—to £2,460m—and this accounts for a fifth of all receipts.

Tobacco and alcohol receipts each account for a further 17 per cent of receipts. Tobacco revenue rose by almost a tenth to £2,057.6m, while duty on alcoholic drinks increased by 6 per cent to £2,062.9m.

The Customs and Excise report also reveals increased action on dealing with VAT offences. Some 135 convictions out of 142 prosecutions were achieved for VAT evasion.

Report of the Commissioners of HM Customs and Excise. Cmnd 7455 SO £3.25.

Post Office pension funds up to £1.53bn

BY ERIC SHORT

TOTAL ASSETS of the Post Office Staff Superannuation Fund rose by over £300m to £1.53bn in the year ending March 31, 1978.

According to a report published yesterday normal contributions during the year, at £190m, were slightly lower than the previous year, but investment income rose by 38 per cent to £99m. Benefit payments amounted to £199m—14 per cent higher than in 1977.

The trustees reported that during the year over £175m of its cash flow of £361m was invested in equities. A total of £130m was invested in gilts during the year and £104m in property. The fund made one investment of £1m in agricultural land because of the high price of farmlands forcing yields below the minimum level acceptable to the fund.

At the end of the year the fixed interest portfolio amounted to £362m, the equity portfolio to £664m and £356m. The trustees reaffirmed that their objective was to invest 50 per cent of the net cash flow into equities, 35 per cent in property and the balance into fixed-interest.

The fund which is the largest pension scheme in the UK was established on October 1, 1969, still has a massive actuarial deficiency on its liabilities. This arises mostly from the period prior to formation, when pensions were unfunded as part of the civil service scheme. At the last valuation made for the period ending March 31, 1976, the actuary assessed the deficiency at £1.92bn. Since then the Post Office has made two payments of £174m in the year under review and £205m in the previous year.

Last April, there was a change in the method of funding the deficit so that the burden was no longer passed on to the consumer. Until then, it was adding more than ½p to the cost of a letter and ½p on the cost of a telephone call.

The next valuation is to be made for the three years to March 31, 1979, when it is expected that the deficiency will be very much reduced.

Scalextric car sets recalled

MORE THAN 360,000 Scalextric model racing-car sets are being recalled by the manufacturers, Hornby Hobbies, which is advising the public not to use the models until they have been checked.

Only about 100 hand-speed controls are defective, but the company, a subsidiary of DunbeeCombex-Marx, is unable to pinpoint where these faulty controls are.

This is the first time a Scalextric racing-car set has been struck with manufacturing defects of this kind. The cars have a 60 per cent share of the £18m-a-year electric slot car market and are advertised for their quality.

Homes schemes given go-ahead

SIX HOUSING schemes providing homes for more than 400 people have been given the go-ahead by the Greater London Council housing development committee.

They include flats for elderly people in Tower Hamlets and Lambeth, family houses with gardens in Hackney, and flats and maisonettes in Covent Garden as part of a new commercial development.

GLC 'should have power to raise local taxes'

BY PAUL TAYLOR

THE GREATER London Council should be empowered to raise local taxes and to distribute government grants according to its own priorities, Sir James Swaffield, the council's director-general, said yesterday.

Sir James made his call for greater financial freedom from central government at the World Congress of the International Union of Local Authorities (IULA) meeting in Manila, the Philippines, to discuss the problems facing the world's main cities.

But he warned that "such an ideal position" would require significant changes in the relationship between the Government and the council, and the council and the London boroughs.

Sir James said the revenue budget for the GLC and the London boroughs was £3.75bn a year. Of that 60 per cent was in the form of government grants with much of the spending predetermined by national policies.

London's population had fallen by more than 1m in the past 10 years, reducing the revenue base without a corresponding decrease in the demand for services because many of those who had left were making little use of services.

Sir James said there was "an urgent need for a co-ordinated approach to financing and for adequate control over the use of resources."

Instant printing shop network to be set up

AN INSTANT print franchising company offering a "printing while you watch" service was launched in London yesterday.

Kall-Kwik Printing (UK) has been granted an exclusive licence by the American Kwik-Kopy Corporation to set up a network of instant print shops.

The company plans to open 20 franchised instant print centres in Britain by September and from the end of this year, one centre a week.

Kall-Kwik hopes to open 500 franchise shops throughout Britain, most of which will be run by housewives and entrepreneurs. An initial £12,000 to £14,000 capital investment is required to start a business and an additional 6 per cent franchise royalty and a 4 per cent advertising contribution based on gross sales will be charged by the company.

The company said that the franchise's pre-tax profits in the first year should be around £10,000 and between £20,000 and £60,000 in the following years.

The British franchise operation is based on the American company which has 350 franchised instant print centres in the U.S., contributing $83m a year to gross national product.

Kall-Kwik's only competitor in the British franchise instant print business is Pronto Print.

Kall-Kwik has an initial capital base of £128,000 and the backing of two institutions. Industrial and Commercial Finance Corporation is providing a seven-year loan of £49,000 and Bremar Holdings, merchant bankers, is putting up an overdraft facility of £30,000. The remaining £51,000 is in equity and subordinated shareholders' loans.

THE MAN WHO WENT IT ALONE TO MEMPHIS

GKN moves in on U.S. distribution

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

FOR 43-YEAR-OLD Mr. Gerry Clancy, a quietly spoken Irishman to have taken GKN into the retail motor spares market in such a dramatic fashion by the proposed acquisition of one of the largest distributors in the U.S. is something of an individual triumph.

Recruited just nine months ago from Leyland Cars, where he headed the highly profitable SU Butec, Uniparts and components operations, Mr. Clancy has travelled the world alone looking for a suitable acquisition. Although he is chairman of a company which in the next five years is scheduled to become one of GKN's biggest, he has no staff apart from one secretary. He says: "It was in the nature of the operation that I had to go it alone. Delicate negotiations with leading companies meant secrecy was paramount."

GKN believed that it had pulled off a coup when it picked up Mr. Clancy last year at the time of the Leyland Cars reorganisation. A former deputy managing director of the truck and bus division, he was one of the key executives whom Mr. Michael Edwardes, chairman of BL was sorry to lose.

GKN, with its concentration on engineering and component manufacture, saw spare parts distribution as a profitable market a decade ago, but progress was slow. By the time Mr. Clancy got his feet under the desk GKN had five small companies, but with a combined annual turnover of only £25m.

Mr. Clancy was given a fairly free hand and "an open chequebook." His remit was to get GKN into distribution quickly and on a large scale. The only constraint on his activities appears to be the ned to justify any project to the main board against other competing investment claims.

The Clancy appointment, given the buying power of GKN, aroused a flurry among component distributors in the UK, but it was natural that Mr. Clancy should concentrate his attention on the U.S.

Growth prospects in the UK are restricted since domestic vehicle assemblers are under attack from imports. Expansion by companies such as Unipart, Motorcraft, Associated Engineering, Automotive Products and Armstrong Equipment have crowded a market which has lost the momentum developed from the mid-1960s onwards.

By contrast, the U.S. with 140m vehicles on the road offers the biggest after-sales market in the world—annual sales, including tyres and batteries, are about $55bn.

Mr. Clancy's investigations, after three months' travelling in the U.S., visiting every large city to meet trade associations and leading companies, led him to Parts Industries Corporation of Memphis, Tennessee. A privately-owned company established in 1911, Part Industries has pushed turnover in the distribution of automotive components to $100m, and looks poised for further expansion.

It is already about the fourth largest distribution company in the U.S. behind Genuine Parts with a turnover of more than $1bn, American Parts Systems and General Automotive Products. These three companies account for about 10 per cent of the country's components after-sales market. Vehicle assemblers are responsible for another 25 per cent of sales through their franchised dealers, with the rest of the market fragmented between a large number of companies.

The oportunities for GKN in a market which offers high profit margins are obvious. Part Industries provides a range of some 100,000 parts—mostly U.S. components for U.S. vehicles. But Mr. Clancy points out that his scope there is to sell not only GKN products but also those of UK and European competitors.

GKN is the first European company to establish a significant distribution presence in the U.S., which is seen as an important growth market as its corporations move towards the smaller less fuel-hungry cars. Europe has the technical skills required by the North American companies and GKN is already building its first important manufacturing plant in North Carolina to supply constant velocity joints for front-wheel drive vehicles.

Mr. Clancy, having made the break into the U.S. market, makes clear that he will not ignore Europe. "The Continental market, with 100m vehicles, obviously presents itself as a major target."

While the U.S. has a number of large distributors independent of the vehicle assemblers, the European after-sales market is dominated by the motor manufacturers.

London office jobs 'slow fall in employment'

FINANCIAL TIMES REPORTER

NEARLY 40 per cent of London's 3.8m working population are employed in offices and the proportion has been rising steadily since 1961, says a Greater London Council report.

The increasing importance of office jobs to London's economy is brought out in the report, prepared by GLC officers, which shows that as total employment in London has declined, office jobs have become relatively more essential. In Central and Inner London, office employment helped slow the overall decline in jobs and in outer London, where the number of office workers has increased, office jobs have kept total employment stable.

Changed technology and improved production management have led to a rising ratio of office workers in both manufacturing and service industries, and while London's manufacturing sector has declined rapidly, the number of office jobs within it has fallen relatively slowly.

The report adds that growing services, such as air transport, banking and business, predominantly employ office workers. Within the shift towards office jobs there is a trend away from clerical work and towards the administrative and professional jobs.

Sussex Tompion clock fetches record £65,000

SALEROOM

BY ANTONY THORNCROFT

AN ANONYMOUS buyer paid an auction record price for an English clock of £65,000, plus a 10 per cent premium, at Christies' yesterday for the Sussex Tompion, a rare 17th century striking ebony bracket clock made by Thomas Tompion, the "father of English clock-making."

The previous bests were £62,500 paid in November, 1976, for a timepiece by Thomas Mudge; £36,000 for a bracket clock; and £30,000 for a clock by Tompion. The Sussex Tompion is one of only three known examples of its type, and gets its name from a previous owner, the Duke of Sussex, son of George III. In his sale in 1843 it went for £12 10s and in 1963 it was bought at auction for just £4,300.

In yesterday's sale, which totalled £275,738, an astronomical skeleton timepiece by Gorham sold for £19,000; a striking longcase clock by Daniel Delander for £11,000; a Queen Anne bracket clock by Thomas Cattell went for £11,000; and an unusual Japanese clock in the form of a portable shrine, dating from the late 19th century sold for £11,000.

There was a successful sale of Old Master paintings at Sotheby's which totalled £267,330. A Belgian collector paid £12,000 for a pair of lively landscape scenes by Pieter Bouts, and the same sum secured A Bishop Saint from the circle of Bernardo Daddi. All lots carried an additional premium of 10 per cent.

The Port of Copenhagen by Bonaventura Peeters sold for £10,500, and a landscape by Willem de Heusch realised £10,000. A view of the Campo Vaccino in Rome by Vanvittelli sold for the same price.

Bonhams sold prints for £17,280 with only 10 of the 215 lots not finding buyers.

Doctors want action to discourage drinking

BY DAVID FISHLOCK, SCIENCE EDITOR

DOCTORS are urging the Government to ensure that the national level of alcohol consumption rises no higher than at present by index-linking its price to wages if necessary.

At least one person in 200 already has a serious drinking problem and this is probably a gross underestimate. The doctors say in a report out today.

Per capita consumption of alcohol in Britain has almost doubled since 1950, and this has resulted in a 25-fold increase in Health Service admissions to psychiatric hospitals for the treatment of alcoholism.

The report calls for clear public information on what constitutes safe and dangerous levels of drinking.

It recommends—on the basis of medical evidence — as "reasonable guidelines for the upper level of drinking" a daily consumption of four pints of beer, or four doubles of spirits, or one bottle of wine. But it adds that it is still unwise to make a habit of drinking at such a level.

The report Alcohol and alcoholism was prepared over the last three years by a special committee of the Royal College of Psychiatrists under the chairmanship of Dr. Griffith Edwards, honorary director of the Addiction Research Unit of the Institute of Psychiatry in London.


Dr. Griffith Edwards

According to Dr. Edwards, there is a "straight-line relationship" between price and alcohol consumption, and the real price of alcohol in Britain has been going down steeply.

Dr. Edwards, a psychopharmacologist, admits that alcohol is one of his personal pleasures, but he also recognises that by drinking too much he would simply be building up his own tolerance.

He describes it as an addictive drug, generally depressive —tranquillising—in nature, which probably would not pass the Committee of Safety of Drugs today because it is addictive and can cause such side-effects as cirrosis of the liver and cancer of the oesophagus.

But he is sceptical of such ploys as health warnings on bottles, describing them as pseudo-solutions. "There is no evidence whatsoever that warnings on cigarette packets do anything more than habituate people to the dangers."

His committee had tried to permeate the report with scientific evidence, "yet nowhere too visible," says Dr. Edwards. The message is more complex than in the case of corresponding reports on the dangers of smoking from the Royal College of Physicians, since the evidence seems to be that alcohol in small amounts does a power of good.

But the 162-page report presents a mass of data demonstrating the serious problems that high levels of consumption are producing — "an endemic disorder of frightening magnitude."

In England and Wales some 13,500 hospital admissions a year are for alcoholism, at a cost of upwards of £4m. It also quotes the Blennerhassett Committee's figure on the cost of road accidents due to drink, at about £100m a year.

Between 1950-76, alcohol consumption per head of the adult population rose by 87 per cent. Over 100,000 cases of drunkenness a year come before the courts, more than at any time since World War Two.

The doctors want more government money spent on publicising the dangers of alcohol—they cite the £27m spent on alcohol advertising in 1975 compared with £1.5m spent on all aspects of health education.

Alcohol and Alcoholism. Tavistock Publications Ltd., pp.162. 31, Fetter Lane, London EC4P 4EE. £1.95 (£5.95 hardback).

Gatwick plans to beat congestion

By Michael Donne, Aerospace Correspondent

THE BRITISH Airports Authority is ready to provide emergency marquee accommodation at Gatwick Airport this summer, if there is any repetition of last year's congestion arising from short-notice strikes and foreign air traffic controllers' disputes.

A meeting in London yesterday called by Sir Henry Marking, chairman of the British Tourist Authority, to review arrangements for this summer at Gatwick heard that it was hoped that this accommodation would not be needed, but contingency plans were needed.

The meeting was attended by representatives of airlines and other organisations using Gatwick.

While the airport, following a £100m modernisation scheme, is claimed to be capable of handling 16m passengers a year, this is based on a steady flow. Last year the airport proved unable to cope with large inflows of passengers.

Such inflows, caused by bad weather delays or disputes can be eased only by providing temporary facilities.

● NEWS ANALYSIS—TACHOGRAPHS

BY IAN HARGREAVES

Road hauliers fear 'spy in cab' battle with transport union

THE ROAD haulage industry, having just ended an industrial confrontation over pay, could be *facing another over the tachograph.*

Yesterday's European Court verdict against the British Government's refusal so far to implement a Community regulation requiring the compulsory use of tachographs in domestic lorries and coaches means that UK Ministers must either, for the first time, defy a court ruling or face an angry Transport and General Workers' Union.

Some anti-Europe ministers have apparently already argued that Britain should defy the ruling.

Mr. William Rodgers, the pro-European Transport Secretary, while regarding the tachograph question as a boring irritation, will no doubt feel inclined to take the opposite view.

The most likely outcome must be an attempt by the Government to win a long phasing in period for the instrument, whose use should have become obligatory for all heavy goods vehicles and coaches from January of last year.

Whether this will mean confrontation with the unions, who remain committed to their view of the tachograph as a "spy in the cab," is unclear.

It has often been stated privately, even by senior union men themselves, that the tachograph would be acceptable at a price.

But with the unions fresh from their 21 per cent pay deal *triumph, road haulage employers* are scarcely in the mood for considering future "productivity" settlements based upon acceptance of the tachograph.

Package

It is possible of course that, given a sufficiently long phase-in period, such a productivity element could form part of the package in next year's road haulage settlement.

The worst fear of the employers is that the court ruling and the eventual Government response will trigger immediate industrial action in the more militant TGWU areas. Action has been taken in the past simply in protest at the tone of Ministers' speeches on the subject.

This would be particularly galling for the employers who, through the Road Haulage Association and the Freight Transport Association, have themselves opposed compulsory use of the tachograph.

They accept the argument that for certain kinds of road fleet operations, the tachograph's information on driving time, stopping periods, speed and fuel consumption is a useful management tool. European fleet managers, whose unions have welcomed rather than resisted the tachograph, speak of up to 30 per cent productivity improvements as a result of the data supplied.

Management does not, the associations argue, need forcing into productivity improvements. Moreover, with the instrument compulsory, they fear that any damage or malfunction of the tachograph would mean a visit to a Government-appointed tachograph sealing station and consequent delays and damaging "down time" for the vehicle.

The capital cost of fitting a tachograph—between £200 and £300 a vehicle—is also a deterrent for employers.

Meanwhile the tachograph manufacturers are continuing their long wait. Kienzle, the German company which dominates the European market, has its Lucas Kienzle joint venture ready for the instant supply of instruments to the UK from Germany. Veedur-Root, the Scottish-based subsidiary of a U.S. parent and Smiths, are also *ready to supply.*

Lucas Kienzle says that 50,000 of the 450,000 British vehicles covered by the EEC's regulation already have a tachograph—mainly because they were supplied as standard equipment in a new lorry.

The company believes that given Government willingness to licence more sealing centres—Lucas Kienzle has 140 of which only 60 are so far licensed—there will be no log-jam in fitting the hardware.

Political

The outcome, as ever, rests upon political decisions and industrial considerations which are remote from the intentions of the Commission civil servants who drafted regulation 1463 covering tachographs in 1970.

Their intention was to promote the use of a device less open to abuse than the conventional log-book in the interests of preventing drivers exceeding permitted hours, thereby creating both unfair competition and road safety hazards.

Limit saccharin intake, urges Which? report

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE CONTROVERSY over the potential health-hazard from saccharin-based sweeteners is raised again by the Consumers' Association in today's issue of Which? magazine.

The magazine says that there is still a question over the effects of saccharin and that consumers may run a slight risk by using it as a substitute for sugar.

Saccharin has been banned in Canada since 1977, the magazine says, after tests showed that large doses of saccharin could cause cancer of the bladder in rats. It was to have been banned in the U.S., although the ban was suspended until this year.

Which? suggests that to keep the potential risk to a minimum daily consumption should be limited to 12 tablets or two cans of low-calorie drink. But it says that the evidence against another artificial sweetener—cyclamates, which has been banned in the UK since 1969 —may be less strong than that against saccharin.

The Department of Health was unable to comment in detail on the Which? article yesterday. But a spokesman confirmed that there was an element of risk in saccharin because tests had shown that large doses could cause cancer in animals. The department has advised consumers to take only small doses of saccharin but says that very large doses—more than 100 bottles of low calorie drink a day—would be required for any ill-effects to occur.

In the magazine's consumer report on artificial sweeteners, it found in laboratory tests that tasters could not consistently tell the difference between artificial sweeteners and granulated sugar served in tea, coffee and apple puree.

Which? dismisses the theory that brown sugar is better than white sugar.

In a separate report on the "*Monitel*" *automatic* charge clock for telephone calls, Which? says that most people appear to want a low cost device that would tell them how much a telephone call was costing. "*The device should* also at the end of the call show the cost of that particular call and the cumulative total spent," it adds. But it concludes: "Monitel does not *really* meet *this* need. *All our* six users, when asked if they would buy Monitel for themselves, said 'no'."

Holiday Which? magazine, also published today, claims that fire *safety standards* in foreign hotels are generally inadequate. The association is starting a campaign for tougher fire regulations abroad.

New rules for car jack makers

CONCERN about the safety of some accessory car jacks has led to new design specifications being issued by the British Standards Institution.

They are specifically for jacks bought separately by motorists and not for those *supplied with vehicles by manufacturers* which are already covered by institution specifications.

The new requirements cover the size of the jack's lifting pad and base, its control ability, load capacity and durability. The institution also says the equipment should carry a warning not to work on a car supported only by a jack.

Industrial strategy: third-year review

BY JOHN ELLIOTT AND PETER RIDDELL

Policy implications will be checked at early stage

FORMAL PROCEDURES have been set up in Whitehall to ensure that in industrial implications of all new government policy proposals are examined at an early stage.

This is one of the Government contributions towards the industrial strategy outlined in a paper presented to the National Economic Development Council, yesterday.

The Government has also made changes in the way it collects and presents statistics.

The paper was presented to the council jointly by Mr. Denis Healey, Chancellor of the Exchequer, and Mr. Eric Varley, Industry Secretary. It was prepared in response to the analysis of the sector working party reports presented to the meeting by Sir Lawrence Airey, second permanent secretary to the Treasury and chairman of the Government's industrial strategy staff group.

In their paper, Mr. Healey and Mr. Varley reaffirm their commitment to the industrial strategy and say that the Government has tried to maintain policies favourable to industry.

At the macro-economic level, they say the Government has maintained control over money supply and has adopted a "realistic attitude" to public expenditure. The exchange rate has been "stable" and corporate taxation, "compares favourably with that of our competitors." Personal taxation changes "have improved incentives at work."

The recent White Paper on public expenditure projected growth rates of 2 per cent to 3½ per cent a year, and Mr. Healey and Mr. Varley said that this was substantially below what had been hoped for by the early 1980s. "The outlook reflects our continuing inability to match our industrial performance and rate of inflation to those of our main competitors," their paper said.

They warn that high rates of inflation reduce growth, and that the 2 per cent to 3½ per cent projections "assume no change in fiscal policy and so may understate the extent to which growth would be reduced if earnings rose too rapidly over the medium-term." On the other hand, a higher rate than 3 per cent could be achieved if inflation was brought under firm control and if the industrial strategy led to higher productivity and better trade performance.

The Government acknowledges that industry is often concerned that it has been saddled with too many costly changes in legislation and other government policies. It is because of this that it has set up its new procedures during the past year.

"We have established standing procedures and machinery within Whitehall to ensure that the impact on industry of all new policy proposals emerging from departments is identified and considered at the earliest opportunity," says the paper.

During the next stage of the industrial strategy, the Government is considering measures aimed at achieving a "decisive shift of our most able manpower into manufacturing."

The paper says that the measures include improving the supply of information about industry's needs for well qualified recruits, and the use which the educational and training systems make of such guidance. Extension of liaison between schools and industry for seconding teachers to industry will also be considered, as will means of encouraging pupils to become more aware of industrial opportunities.

The number of industrial scholarships may be increased and ways will be considered of encouraging qualified people to join small and medium-sized companies.

Uses made of the Government's various industrial aid schemes are set out in the paper. The market entry guarantee scheme has in the past year given assistance totalling £1.1m to launch 17 market entry projects which could produce £40m in additional exports.

Under the selective investment scheme, £57m has been offered to industry to bring forward 60 projects worth £586m. Other industry schemes have generated 1,326 offers in the past year towards projects worth £558m. Another 90 projects have been supported under the product and process development scheme at a cost of £7.8m, and 560 further applications are now being dealt with. A total of £175m has been provided to boost developments in micro-electronics, including the National Enterprise Board's £50m Inmos project.

The Government is also trying to remove some of the administrative burden placed on companies, says the paper. This links with the Government's small firms' initiatives and includes a review by all government departments of their statistical and administrative procedures.

In addition, the Government is trying to improve its flow of statistical information to industry. This will form part of the steering brief for the strategy's work this year.

The paper says: "A number of sector working parties have referred in their annual report to the need for improvements in the speed, availability and relevance of official statistics provided to industry and policy makers.

"The Government will give full consideration to these points, and keep under constant review the possibility of any improvements across the full range of official statistics which would be of help to the sector working parties."

Trade statistics are also now being compiled on a basis which closely matches products covered by individual working parties. They are to be presented to the NEDC quarterly.

To encourage specific actions being started as a result of the strategy, the paper says that all parties involved need to do more to publicise the strategy as a "process producing valuable change now, with more in store." More communication is also needed between working parties and companies.

Slightly lower objectives set out for industries

OVERALL OBJECTIVES for increasing the British share of both home and overseas markets have been revised downwards slightly during the last year by several of the industries represented in the sector working parties.

This is mainly because the growth of world trade has been slower than hoped and competition .... has subsequently sharpened.

The new objectives are set out in a memorandum on the sector working party reports from the Industrial Strategy Staff Group.

All but eight of the 39 working parties have now set home-market share objectives and all but four have set overseas market penetration goals.

Compared with a year ago home objectives have been revised downwards by three sectors and overseas goals by four groups.

The report includes an aggregation of the working parties' objectives, though major caveats are included about the usefulness of such aggregation and the fact that the working parties only cover some 40 per cent of manufacturing. industrys' output.

In 1978, 24 working parties set output objectives, equivalent to a growth rate of more than 4 per cent a year between 1975 and 1980. This year, output goals can be calculated by 20 sectors (accounting for 43 per cent of the working parties' output and 17 per cent of total manufacturing production). These suggest a growth rate of a little over 3½ per cent a year for the same period.

For exports the comparison is between a suggested annual growth in export volume of 10 per cent in 1975-80 by 25 working parties last year and an annual increase of 7.2 per cent for industries in 22 sectors this year, covering 57 per cent of the working parties' overall output and 23 per cent of manufacturing production.

It has been possible to aggregate the import implications of objectives for 20 sectors. These imply an annual growth in the volume of imports in 1975-80 of just under 1 per cent compared with an implication of no further growth in the volume of imports by a roughly similar number of working parties last year.

For the 19 groups for which both export and import objectives can be calculated an improvement in their balance of trade of £2.1bn at 1978 prices is suggested. In the five years between 1971 and 1976 there was a deterioration in their gross trading balance of £800m so that their objectives imply a substantial improvement.

Employment implications of these objectives were aggregated for 18 sectors compared with 22 last year. The overall picture is of broadly stable employment until the early 1980s. Several working parties, however, most notably those for mining machinery, printing machinery, food and drink machinery, and footwear, expect modest increases in employment, while some other working parties, particularly those for machine tools, textile machinery, rubber and heavy electrical engineering, expect employment losses.

Several financing problems reported last year still trouble the working parties, in particular financing large increases in sales and the availability and cost of long-term capital.

Marketing problems are highlighted

MARKETING OF goods at home and abroad, together with product development, have been two of the main issues tackled by the industrial strategy's 40 sector working parties during the past year. They have also concentrated on improving productivity and developing communications with individual companies.

This emerges from a paper from the strategy's staff group presented by its chairman, Sir Lawrence Airey, second permanent secretary at the Treasury, to yesterday's council meeting.

The Government has been urged by the working parties to maintain pressure on issues such as anti-dumping procedures, low-cost imports and monitoring of quota arrangements. They also want provision of better Government statistics, and ask that health and safety criteria should be applied "even-handedly" to UK and imported machinery.

Shortages

Working parties also report worsening shortages of skilled workers with 11 of them reporting it was a serious constraint to output. They include groups covering radio and radar communications, automation and instrumentation, constructional steelwork and equipment, fluid power equipment, food and printing machinery, industrial trucks, and mechanical handling.

The Government is also asked to help improve the image of employment in industry and to permit greater flexibility in pay structures as well as better rewards for skilled and mobile workers.

Recommendations on productivity and industrial efficiency include one idea from the food and drink machinery working party—that the Government set up further across-the-board tripartite committees on subjects such as productivity.

Collaboration

Under the broad heading of marketing and product development, the working parties' activities fall into four main categories. Of the 37 working parties producing reports this year, 22 have studied import penetration problems, and 25 are promoting collaboration between product manufacturers and users.

The paper says this collaboration "continues to be a particularly fruitful activity" which can cut imports. Progress has also been reported by 26 working parties on expanding exports, while 19 have worked on product development.

Future recommendations include investment forecasts, stabilising the ordering programmes of nationalised industries and explaining why UK tenderers may have been beaten by foreign bids.

On exporting, the Government is asked to provide more specialist and expert commercial officers in key posts overseas and to improve its information facilities.

Ashley Ashwood

Mr. Denis Healey, Chancellor of the Exchequer, Mr. Geoffrey Chandler, director general of NEDO, and Mr. Eric Varley, Secretary of State for Industry, reporting yesterday on the third-year review of industrial strategy

Director of NEDO lists areas of progress

THE INDUSTRIAL strategy has made progress in three main areas although its impact may not be measurable in macro-economic terms for several years, according to Mr. Geoffrey Chandler, the director general of the National Economic Development Office.

In a paper on the state and progress of the strategy presented to yesterday's meeting, Mr. Chandler said: "After 30 years of measurable relative export decline and some 100 years of less precisely quantifiable general economic decline relative to our main competitors, a bare two to three years is unlikely to show measurable success in reversing such long-term trends."

But he added: "There has already been clearly identifiable progress which fully justifies the exercise."

First the Government's understanding of manufacturing industry had improved and it had given a commitment that industrial development should be a priority.

Second, specific problems had been identified, and action taken, within individual sectors of industry. Similar progress had been made on problems involving more than one sector.

Third, there had been an impact on the "industrial climate" as a result of the discussions in the strategy's sector working parties.

In general, Mr. Chandler said, the exercise encouraged people in industry to share information and to co-operate. It helped inform the Government and enabled medium-term objectives to be set which might reveal unrealised' market opportunities.

In the future "clear, selective programmes" should be set for each of the sectors covered by the strategy.

Union near recognition agreement

By Nick Garnett, Labour Staff

The Advisory, Conciliation and Arbitration Service has decided not to proceed with a recognition claim by the staff association at the Legal and General Assurance Society.

Mr. Clive Jenkins' Association of Scientific, Technical and Managerial Staffs said yesterday there now appeared to be no obstacle to winning its two-year recognition fight within the company.

Such a move would add to Mr. Jenkins' recruitment base within the insurance industry, providing a stronger platform from which to fight its impending recruitment war in the industry with the National Union of Bank Employees.

A draft final report from the advisory service, believed to recommend that ASTMS is given sole negotiating rights for most clerical and administrative grades, is being issued to all sides in the recognition dispute.

This recommendation is similar to one already issued by the advisory service but subsequently withdrawn following opposition and then legal action from the staff association which submitted a recognition claim under Section 11 of the Employment Protection Act on its own behalf.

The advisory service, however, has decided the association's recognition claim covered the same issues as the ASTMS reference on which it based the original recognition decision. Circumstances had not changed sufficiently to warrent further investigation.

Water workers resume pay talks tomorrow

BY PHILIP BASSETT, LABOUR STAFF

PAY NEGOTIATIONS for 33,000 manual workers in the water industry will resume tomorrow after the collapse of talks earlier this week, which the industry's leading union negotiator said yesterday was "the direct result of external political interference."

The trade union side will look for further improvements in the employers' 15.88 per cent offer, which is setting the pace for public service and other public-sector pay settlements.

Mr. Eddie Newall, trade union side secretary, and national industrial officer of the General and Municipal Workers' Union, which includes about two-thirds of water workers, said that he hoped sufficient progress would be made to reach a settlement acceptable to the GMWU membership.

Resumption of the talks was agreed at an informal meeting between the employers and union sides' joint secretaries, arranged after Mr. Peter Shore, the Environment Secretary, called in the general secretaries of the unions. A report on the collapse of the negotiations was made to Mr. Len Murray, the TUC general secretary.

The National Water Council, which represents nine regional water authorities, put forward a 16.5 per cent offer in a joint secretaries' meeting during the talks on Tuesday morning, but withdrew it after contact with the Department of the Environment, according to union officials.

Mr. Newall said that this "interference" was "totally irresponsible."

The "blatant intrusion" of any external political force did nothing to help reaching a responsible conclusion.

The Department said last night that Mr. Shore had been in touch with the Water Council throughout the meeting.

The Government publicly maintains that it has contingency plans to keep services going in the event of industrial action over the offer. Union leaders have already been told that troops would not be able to maintain even essential supplies.

The present offer gives a general increase of 9 per cent on the total wage bill, covering higher basic wage rates and other improvements, and a 6.9 per cent self-financing efficiency bonus.

Improvement

The employers' estimate that the offer would give minimum pay for 40 hours of between £54.60 and £59.80 a week. There would be improvements to shift allowances, standby and call-out payments.

They expect an increase of average weekly earnings of £9.81, or 13.3 per cent, from December 3, and £12.70, or 17.2 per cent, from April 1.

The unions will look tomorrow for some relaxation in the conditions attached to the £5 efficiency bonus. They estimate that full removal of the conditions they object to would cost between 1 and 1.1 per cent.

The water negotiations have been clouded by tension between the GMWU, the Transport and General Workers' Union and the National Union of Public Employees, which called on its 10,000 members to strike officially if the 13.9 per cent offer was not significantly improved before Monday's meeting.

● Further talks were held between Government Ministers and TUC leaders on the new agreement covering industrial relations practices and economic and social policies.

Seven Ministers, led by Mr. Michael Foot, Leader of the House of Commons, met the TUC's Economic Committee and Employment Policy and Organisation Committee.

The two sides will come together again tomorrow. Their aim is to have the agreement ready for signing on Wednesday, when the whole TUC General Council is expected to see the Prime Minister at Downing Street.

Co-op workers seeking 30%

A CLAIM covering 200,000 Co-op workers seeking a 30 per cent increase on the basic minimum of £43 and a 35-hour week has been drawn up by a joint committee of four unions.

The unions also want a lowering in the age at which adult wage rates are paid and a review of differentials and the grading structure for general and management staff.

Singer Scottish plant in jeopardy

By Ray Perman, Scottish Correspondent

THE FUTURE of Singer UK's Clydebank manufacturing plant, which seemed secure after a reluctant acceptance by the workforce of a management plan to run down employment, is in doubt over a strike of assembly workers.

The company said yesterday that 400 men who walked out a week ago had been suspended and given two weeks' notice of dismissal. As a result of their action, 700 workers have been laid off and the figure could reach 1,000 by the weekend.

Singer has agreed to invest £10m at Clydebank, but only in return for extensive cuts in employment and guarantees of good industrial relations.

Last night the company said a shadow had been cast over the future of Clydebank, and Mr. Hugh Swan, deputy convenor, said the dispute, which began when Singer announced plans to cut overtime on the assembly line, had taken the company to the brink.

About 50 men who walked out were later supported by 350 others and talks so far between shop stewards and management have failed to resolve the issue. Union leaders will address workers in Clydebank today.

Murray peace plan for Times dispute

BY MAX WILKINSON

MR. LEN MURRAY, general secretary of the TUC, has stepped into The Times dispute with a proposal aimed to get management and unions round the negotiating table.

Several of the unions have so far refused to talk on proposals for ending disruption and for new manning agreements unless dismissal notice for their members are first lifted. Union reaction to plan is expected in the next few days.

The TUC plan is likely to be accepted by Times management as a basis for talks, provided that the unions agree to the conditions.

The Times management said last night that it had not heard formally from the TUC yet, but it had an unofficial document in its hands which it believed represented the TUC's proposals. If such proposals were formally put to the management, they would be considered "very seriously."

One of the main points is that dismissal notice periods should be extended for several weeks to allow talks to take place. No more employees would leave their jobs while the talks were in progress. The deadline for the ending of these talks is left open by Mr. Murray, but a four-week period is considered likely.

In addition, Mr. Murray suggests that those employees who have been sacked and whose notices have run out should receive the equivalent of full pay for the period of the talks.

If at the end of the talks an agreement is reached between management and unions, all former employees should be reinstated with effect from the date on which they were dismissed.

This means The Times management would have to foot a wage bill for the whole of the period since November 30.

In return, the unions are asked to talk on the introduction of computer typesetting equipment, reductions in manning and the end of disruptive practices. The TUC has offered its services to help the talks along.

Mr. Murray's suggestion for paying the employees their full wages during the period of negotiations would cost about £500,000 over a month. In addition, the management would probably have to pay at least another £500,000 if all workers were reinstated without loss of pay at the end of the dispute. The dispute has so far cost £6m. Of the 3,000 sacked employees, 1,100 have left and a further 1,900 are waiting for their notice to expire.

One difficulty, which has not been resolved, is that the TUC's terms would give a large extra reward to many workers whose unions refused to sign agreements with The Times and have been dismissed. Many of these have found other jobs in Fleet Street newspapers.

Strike call unlawful, say NUJ 'rebels'

THE national executive committee of the National Union of Journalists "exceeded or abused" its powers when it ordered 9,000 provincial members out on strike over pay, it was claimed in the High Court yesterday. The court is asked by about 100 journalists from Birmingham and Coventry to rule that the strike instruction was unlawful.

The journalists, at the Birmingham Post and Mail and the Coventry Evening Telegraph, with others throughout the country, face union disciplinary proceedings for disobeying the instruction. They ask Mr. Justice Slade to hold that the executive, in calling the strike, acted beyond its powers and in breach of union rules. The seven-week strike ended last month.

The case centres on the NUJ Rule 20(b), which states: "No withdrawal from employment affecting a majority of the members of the union shall be sanctioned. . . unless a ballot of the whole of the members shows a two-thirds majority of those voting in favour of such action."

Mr. Christopher Carr, counsel for the non-strikers, said their case was that the strike did affect a majority of the members, yet no ballot was held. Therefore the strike decision was outside the NEC's powers and a nullity.

The action continues.

LISA WOOD ON THE HEALTH SERVICE

Sympathy and stoicism for the hospital pickets

"LOOKING AFTER patients is a luxury I cannot afford," a woman ancillary worker declared outside St. Mary's Hospital, Harrow Road, London, yesterday.

She was one of 500 members of the National Union of Public Employees, Transport and General Workers' Union and General and Municipal Workers' Union, who stopped work at the 420-bed general hospital at 6 a.m. on Monday for a week.

Some, shivering on the picket line, were adamant that they would not return to work next Monday unless their £60-a-week basic wage demand was met.

The hospital, on a 10-acre site, is a former workhouse and smallpox hospital and is to be closed in 1986. Policemen dotted about the corridors were a reminder of the pickets outside.

Nurses, with 60 volunteers, clean the wards, feed patients, wash up and carry out porters' duties. The strikers have provided no emergency cover.

Unconcerned

The kitchens, normally staffed by 16 workers, are manned by three union members who have not struck. Lunch is cooked, supper is cold.

Patients, most evidently unconcerned about their physical welfare, are limited to 295 instead of the normal 350.

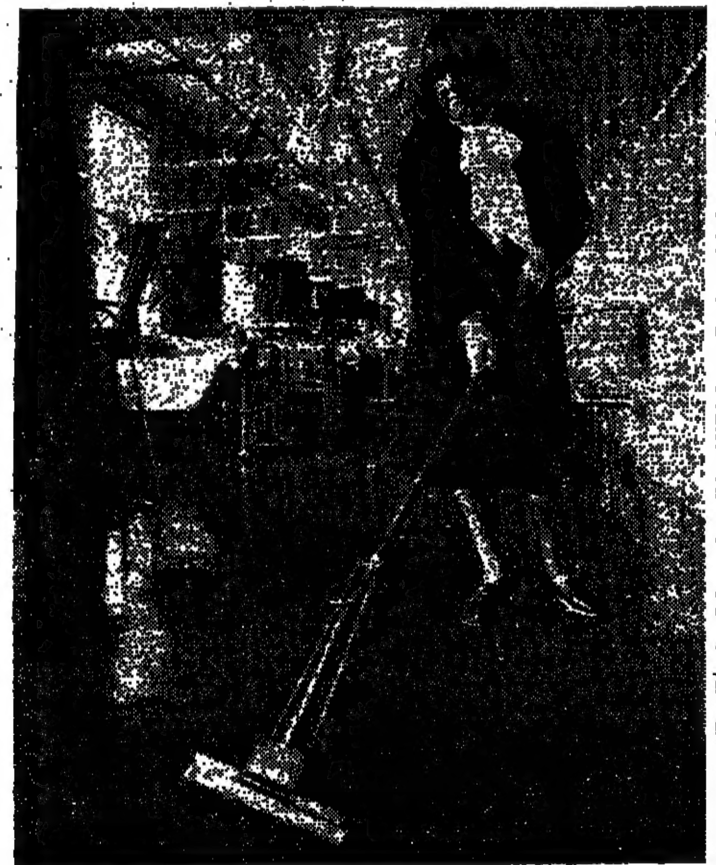
Only emergency cases such as road accidents and heart attacks are being admitted. Ambulance men, who are also taking industrial action, will answer only 999 calls.

Consultants have screened inpatients' appointments for non-emergencies. Those not treated this week go to the end of the waiting list.

Two of the hospital's three operating theatres are open and working at half capacity. All maternity cases are being admitted and patients arriving by their own transport are being treated in casualty.

An elderly man, normally picked up by ambulance for out-patient treatment, was unsure how he was to return home to Hendon. His daughter, who had brought him in, had gone to work.

Mr. Anthony Harrold, orthopadic surgeon, has had to cancel half his non-emergency appointments. He asked: "What constitutes an emergency? Somebody on a 999 call or somebody who will get worse if left on the waiting list?"



Hugh Routledge

Mrs. Patricia Scott, a volunteer, at work

He felt sorry for many of the porters and cleaners. "They are benign, innocent people being led by the unions. They are afraid of losing their jobs if they don't strike.

"Thirty-five pounds plus a week is not a lot of money but they don't do much work. They could always get a job elsewhere."

The hospital's management expressed understanding for the manual workers.

Miss Angela Crewe, sector administrator, said: "Any reasonable person would have sympathy for them, but I cannot approve of their action. They have a strong case for a wage rise but nobody in a hospital can take action that affects the patients."

Among the nurses, however, there was little sympathy. Most condemned the strike, although nurses elsewhere in London are taking industrial action.

A few expressed total disbelief that the basic wage for a porter and a domestic was £35 a week plus a £5 supplement (not counted in overtime calculations).

Many of the domestics are Spanish and Portuguese. A black nurse commented: "Some of them can't even understand the language."

Student nurses, helped by orderlies and a few domestics, did most of the ward cleaning 25 years ago. So now, particularly from older nurses, there is a certain arrogance.

Another nurse showed her pay go on courses to learn how to polish floors with the new machines." She added: "There is no money in nursing either, but it's a satisfying job."

Another nurse showed he pay slip for the month. With four and a-half years' training she received £140 a month, from which £33 was deducted for board at the hospital. Was she prepared to strike for more? Certainly not.

Most of the volunteers were elderly people or housewives. Mr. William Foley, aged 64 and semi-retired, spent the day cleaning and serving food. He believed that the ancillary workers deserved a decent wage but deplored the strike.

On the picket line there was no evidence of harassment. Mr. Anthony Acott, deputy head porter and a union member, is continuing working with four other porters. There are normally 90.

He believed that the demand for an improved wage was justified but could not support a strike. "This is not a factory."

Outside the gates, a middle-aged Spanish woman said: "Of course I would rather be back at work than on strike. But I cannot live on the money.

"I work from 7 a.m. until 4 p.m. and pay £12 of my £35-odd on rent alone. I cannot go into a shop and ask for bread at half price because my labour is bought at half price."

Another woman said: "We all care about the patients. But there comes a point when we have to care about ourselves and our families."

Many women have young children and husbands in trades such as catering that are also poorly paid.

Mr. Cecil Campbell, NUPE branch secretary at St. Mary's, is a kitchen superintendent. He is on the highest ancillary grade: £58 for a 40-hour week. He has a wife and three children, and after 20 hours overtime he takes home £78.

Mr. Campbell came to Britain in the 1950s and has worked in the hospital since. He said: "Many people here are stuck on grade one wages with little chance of promotion. Some one-parent families are on Family Income Supplement."

The pickets had dwindled as the day went on. By 4 p.m. there was no longer evidence of picketing. Even the policeman had departed.

Stevedore company goes into liquidation

By Lynton McLain

THE ONLY stevedoring company left on the upper Docks of the Port of London, T. Wallis Smith Coggins, was forced into liquidation yesterday. It blamed a drain on its finances caused by the lorry drivers' strike.

The company employed 456 registered dockers at the India, Millwall and Tilbury docks. All the men have been given jobs with the Port of London Authority under the terms of the National Dock Labour Scheme, which bars redundancies among dock workers.

The PLA had no choice but to take on the extra men, but it asked Mr. William Rodgers, the Transport Secretary, for assurances that extra Government money will be forthcoming for the severance money needed for cutting the authority's workforce by the end of the year.

The authority has already been promised £35m by Mr. Rodgers for the severance of 1,489 registered dockers. The Transport Department assured the port authority that further aid would be available to cover future severance of the stevedores taken on from T. Wallis.

The company was hit by the lorry drivers' strike. It was left with the high fixed costs of paying its staff at a time when ships were being diverted and income was almost non-existent

But the company had already started to be affected by the run-down in the Port of London's general cargo handling work. Last year T. Wallis (Royals), a subsidiary, went out of business and the PLA absorbed 259 employees.

The PLA had 90 operational general cargo berths 12 years ago. There are now only 28 as the port has moved over to a much greater dependence on roll-on/roll-off freight traffic and containerised freight with its total dependence on mechanised handling.

Mr. John Black, the managing director of the PLA, said the authority was anxious to retain the services of the stevedores.

Bath and Portland's Iran deal in trouble

BY MICHAEL CASSELL

SITE WORK on the Bath and Portland group's £105m road contract in Iran has stopped and stage payments have fallen further into arrears.

The group said yesterday that its preliminary results, due out next week, were likely to be delayed for a further week because of "domestic accounting problems" arising out of the unrest in Iran.

The 180-mile road contract, scheduled for completion this year, is being carried out by Marples Ridgway, the group's civil engineering subsidiary.

Sir Kenneth Selby, chairman of Bath and Portland, said last night that work on the project had stopped last month and that stage payments were "three or four months behind."

In the next few days the company will decide with its insurers, the Export Credits Guarantee Department, whether the contract is officially "frustrated," in which case the guarantee arrangements concerning payments would be invoked.

Such a decision would not necessarily mean an end to the civil engineers' involvement in the contract but that the contractor would be paid until normal conditions were restored.

Whether further work on the project is possible is not clear. Operational difficulties apart, the continuation of the contract is likely to depend on a fresh evaluation of the road's significance by the Iranians.

It is, however, well on the way to completion and although the road had considerable military implications it might be considered vital in any plan to improve the economy in the country's southern region.

Sir Kenneth, who emphasised that 90 per cent of the contract value was insured, said that payment arrears were considerable.

The delayed accounts will show, as in the previous 12 months, some profit from the project. The consequences of the latest difficulties will fall in the current year.

Sir Kenneth said that the group had been looking to Iran for further substantial road construction business and that it might now have to reconsider its future strategy. It would not discount further work there once the situation had stabilised.

Rolls-Royce Shrewsbury goes on to four-day week

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

SHORT-TIME working is to be introduced next week at Rolls-Royce Motors' diesel engine factory at Shrewsbury. The factory, which is already facing the possibility of cancellation of the Iranian Chieftain tank order—for which it supplies the engines—now has the added problem of a shortfall in orders for its industrial diesel engines.

The workforce was told yesterday that mounting economic or political problems in Iran, Iraq, Turkey and Nigeria have led to a decline in orders for industrial generator sets, which are used extensively in these countries for power generation. An added, although short-term, problem is that commercial vehicle manufacturers have been over-stocking diesel engines during the road haulage strike.

Around 3,000 people are employed at the factory, two-thirds of whom will be affected by the four-day week to be introduced on February 16. About 35 per cent of production is for industrial users of diesel engines.

The decline of these important markets in developing countries is affecting other manufacturers of diesel engines for industrial generator sets. The Lister subsidiary of Hawker Siddeley, for example, also put some of its workforce on short time working last week, and other manufacturers confirm that they are suffering from a shortfall in orders.

As far as Rolls-Royce Motors is concerned, however, it hopes to find other markets for its diesel engines for tanks. While Iran's uncertain future spells pessimism for the industrial outlets, it is hoped that the problems in the other countries will prove more short-lived.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unem-ployed	Vacs.
1977							
3rd qtr.	106.2	103.1	96	104.2	233.7	1,413	151
4th qtr.	105.8	102.0	100	104.7	239.6	1,431	157
1978							
1st qtr.	107.1	102.4	99	106.4	246.4	1,409	188
2nd qtr.	111.1	105.0	97	107.9	254.4	1,367	213
3rd qtr.	111.6	105.3	103	110.7	266.6	1,380	213
August	112.1	105.9	101	111.7	269.2	1,392	209
Sept.	111.0	104.7	109	109.6	265.9	1,378	219
Oct.	109.2	102.9	103	110.2	267.9	1,360	228
Nov.	110.1	103.4		110.5	269.7	1,339	231
Dec.				113.8	279.8	1,321	231
1979							
Jan.						1,339	236

OUTPUT—By market sector: consumer goods investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1977							
3rd qtr.	104.3	98.5	116.4	99.6	107.6	101.3	25.4
4th qtr.	104.9	97.4	114.3	98.4	95.4	100.2	20.7
1978							
1st qtr.	105.3	99.4	116.3	100.4	95.5	97.9	17.8
2nd qtr.	107.9	99.0	122.9	100.4	108.4	101.2	27.1
3rd qtr.	107.3	100.8	123.7	101.7	102.1	102.5	22.9
August	109.0	101.0	123.0	103.0	93.0	103.0	20.3
Sept.	107.0	100.0	123.0	100.0	101.0	101.0	25.1
Oct.	106.0	98.0	121.0	97.0	99.0	100.0	24.5
Nov.	106.0	97.0	124.0	96.0	95.0	101.0	20.7
Dec.							16.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance; oil balance; terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1977							
4th qtr.	117.6	102.7	− 5	+591	−657	102.4	20.39
1978							
1st qtr.	119.5	114.1	−635	−406	−637	104.8	20.63
2nd qtr.	122.0	110.3	−175	+133	−393	104.6	16.75
3rd qtr.	125.3	116.1	−334	− 18	−507	105.3	16.55
4th qtr.	126.3	115.1	+ 40	+400	−482	106.1	15.77
Sept.	125.1	120.8	−233	−128	−191	105.5	16.51
Oct.	127.4	111.9	+100	+220	−133	105.3	15.97
Nov.	124.6	120.3	−186	− 66	−161	106.6	15.67
Dec.	126.7	113.0	+126	+246	−188	106.3	15.69
1979							
Jan.							16.26

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1977							
4th qtr.	23.2	12.6	8.7	+698	1.639	1.189	7
1978							
1st qtr.	24.3	23.8	17.5	+1,791	1,049	1,263	6½
2nd qtr.	8.5	15.7	24.6	+2,857	694	1,398	10
3rd qtr.	16.8	5.3	8.6	+530	746	1,425	10
4th qtr.	4.8	9.4	8.8	+1,403	878	1.425	12½
Sept.	16.8	5.3	8.6	+712	346	478	10
Oct.	13.8	5.4	1.9	+540	363	470	10
Nov.	12.3	10.6	9.9	+119	261	506	12½
Dec.	4.8	9.4	8.8	+733	254	449	12½
1979							
Jan.						•	12½

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1977							
4th qtr.	119.9	142.2	145.8	187.4	193.3	234.2	63.3
1978							
1st qtr.	123.1	140.2	149.2	190.6	197.3	238.61	64.6
2nd qtr.	129.9	146.3	151.8	195.8	203.8	242.27	61.5
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.		147.1	157.3	202.6	208.0	257.69	62.7
Sept.	134.2	144.2	155.7	200.2	206.3	253.74	62.7
Oct.	135.2	145.7	156.6	201.1	205.6	265.22	62.5
Nov.	136.0	147.3	157.1	202.5	207.9	263.63	62.5
Dec.		148.2	158.3	204.2	210.5	257.69	63.2
1979							
Jan.		150.6	159.8			260.63	63.4

* Not seasonally adjusted.

Vanden Plas car works to shut

BY MAURICE SAMUELSON

THE VANDEN PLAS factory at Kingsbury, London, supplier of limousines for more than half a century, will be closed before the end of the year as part of the reorganisation of BL, its parent company.

The date of the closure depends on the talks between management and representatives of the 250 staff at the factory, which produces Daimler limousines, Jaguar saloons and the Vanden Plas 1500, based on the Leyland Allegro.

Since the plan was announced the workers at Kingsbury have banned overtime.

The decision, which BL insists is still only a "proposal," has been bitterly criticised at the works, where Vanden Plas cars famed for their quality and luxury have been custom-built since 1923.

It is claimed that instead of dispersing such a skilled team BL should have exploited the Vanden Plas expertise in the way that Ford has done with Ghia.

BL says that there are skilled workers at Browns Lane Jaguar works, Coventry, where the Vanden Plas limousine operation will be continued.

A key factor in the decision to shut Kingsbury is the cost of bringing the Jaguar chassis and running gear from Coventry.

The Vanden Plas Allegros will go instead from Longbridge to the MG plant at Abingdon.

The factory's customers include the Queen Mother and Middle Eastern potentates.

Of the 2,500 vehicles turned out every year about 400 are large black Daimler limousines. Many are fitted with colour television and cocktail cabinets.

The link with BL dates from 1946, when the plant was bought by the Austin Motor Company.

In the 1930s the Bentleys built at Kingsbury were winners of the Le Mans motor rallies.

Austrian subsidiary to be sold to dealer

BY PAUL LENDVAI IN VIENNA

FACED WITH a serious drop in sales, BL's trading subsidiary and chief importer in Austria (BL Austria) is to be sold to one of the country's main car dealers, Mr. Erwin Janko, a representative for Rolls-Royce and a dealer in a range of UK-made cars.

Mr. Karl Rohan, director-general of BL Austria, confirmed that negotiations on the sale were at an advanced stage and that a likely price was between Sch 100m and Sch 120m (between £3.7m and £4.2m).

Despite the popularity of the Mini, BL sales in Austria dropped from 5,511 units in 1976 to 2,544 last year. The slight increase to 5,761 in 1977 was in line with purchases of cars in general by Austrians in anticipation of the rise in value added tax on cars from 18 per cent to 30 per cent in January, 1978.

The comparative market shares are more revealing. BL's market share in Austria dropped from 3.7 per cent in 1974, through 2.9 per cent in 1975 and 2.5 per cent in 1976, to 2 per cent in 1977. The lowest-ever figure was reached last year with a mere 1.5 per cent share.

BL keeps its sales lead for fourth month

BY LISA WOOD

BL RETAINED its overall lead lead of the new car market last month for the fourth month in succession, according to figures published yesterday.

However, the figures, released by the Society of Motor Manufacturers and Traders, show that imported cars, including models brought in by some UK manufacturers, won 54 per cent of all sales in the month, compared with 50 per cent in January last year.

Last month's sales totalled 156,221, 2.5 per cent up on the same period last year in spite of strikes and freezing weather. The record for January sales was 162,000 in 1973.

BL recorded registrations of 39,481 cars, 25.3 per cent of the market. Ford followed with 23.7 per cent and General Motors (Vauxhall and Opel) were third with 8.4 per cent.

The best-selling car was the Ford Cortina and Ford held second place with the Escort. BL had five models in the top 10.

EEC countries (excluding Britain) accounted for 24.1 per cent of total sales, up from 21.5 per cent in that period last year, while Japanese manufacturers' share fell from 13 to 8.7 per cent.

Chloride change steps up output

CHLORIDE-LORIVAL of Bury, a member-company of the giant Chloride battery group, has produced its one-millionth polypropylene container five months after starting production.

By comparison, it took nearly six years to make a million rubber battery containers in the 1980s. With modern equipment and advanced techniques, the plant now consumes more than 30 tons of polypropylene a week, producing for UK and foreign markets.

Tories pick up Labour rubbish

TWO Conservative MPs went rubbish-collecting at Labour Party headquarters in London yesterday in an effort to beat NUPE strikers.

Mr. Robert Adley (Christchurch and Lymington) and Sir Anthony Meyer (W. Flint) drove to Transport House, the Labour Party and TGWU headquarters, to take bags of rubbish to a dump.

Mr. Adley said: "While we were there, Mr. Moss Evans, the TGWU leader, came out and said, 'I am glad you are doing a job you are fit for.'

"I replied: 'If it means clearing up Labour rubbish I agree with you'."

Check on directors

MR. JOHN SMITH, the Secretary of State for Trade, announced last night that he is considering whether laws on conduct of company d irectors need to be strengthened in the light of the Peachey Report.

He told Mr. Bob Cryer (Lab. Keighley) that proposals to strengthen the law on the company directors formed part of the Companies Bill now before the Commons. "I am considering whether these provisions should be strengthened."

'Rigging' attack

ARRANGEMENTS for Scottish referendum party political broadcasts are a shambles and must be cleared up, the Commons heard yesterday. Mr. Alex Fletcher (C., Edinburgh N) said that unless there were improvements soon the whole referendum campaign could be viewed as being rigged in favour of a "yes" vote.

Drinking hint

EASIER licensing laws could lead to fewer drink-drive offences, Mr. David Knox (C., Leek) said. There had been fewer such offences in Scotland since easing of the law there and he suggested a similar step for England and Wales.

No volunteers

THE Scottish Secretary told the Commons yesterday he would not urge volunteers to help in Scotland's hospitals. After pressure from Tory MPs to encourage volunteers to cross picket lines, Mr. Bruce Millan said: "At the moment we are dealing with the situation locally. If it becomes worse, we would consider sending further advice."

Renewed demands for trade union law reform

BY IVOR OWEN

A ONE-VOTE majority, secured with Liberal support, provided another boost yesterday for the Tory campaign in the Commons to reform the law on trade unions.

To cheers from the Opposition benches, Mr. Ian Gow (C. Eastbourne) was given leave by 179 votes to 178 t obring in a Private Members' Measure—the Workers' Freedom Bill—to protect the rights of workers by regulating picketing and the closed shop.

It was the second success for Tory MPs in 24 hours. On Tuesday, Mr. John Cope (C. Gloucestershire S) was given leave to bring in a Bill to clarify the law on picketing.

Neither measure has any chance of becoming law, but Tory and Liberal MPs claim that their success in the lobbies reflects the national mood amid the current wave of industrial unrest.

Mr. Gow contended that there was widespread support for changes in the present law to protect the rights of workers against what a growing number of trades unionists recognised as the twin evils of unreasonable picketing and closed shops.

He singled out for particular condemnation the failure of Section 15 of the 1974 Trade Union and Labour Relations Act to place any limit on the number of pickets entitled to assemble outside a factory or other premises peacefully to persuade others to abstain from work.

"It is the sheer number of pickets that can and do intimidate those who wish to work," Mr. Gow declared.

There were shouts of "too many" from other Tory backbenchers, when he suggested that the number of pickets should be limited to 10 at each factory.

Mr. Gow assured his colleagues that the precise number was one of the matters which would be left to the House to decide if his Bill reached committee stage.

Mr. Gow was also highly critical of the provision in the 1976 Act which extended legal immunity to those inducing breaches of any contract, including commercial contracts.

He recalled that during the passage of the Act through Parliament, Opposition leaders warned that it would lead to a vast expansion of blacking and blockading.

"We are now reaping a fearful harvest for the failure to heed those warnings three years ago," he said.

Mr. Gow emphasised that the threat to withdraw the union card of anyone who crossed a picket line had been made more menacing by the encouragement and legislation of closed shops. Workers had to face the fact that the loss of a union card also meant the loss of a job.

Every agreement represented another move towards a "closed shop Britain."

Opposing the Bill, Mr. Doug Hoyle (Lab., Nelson & Colne), the president of ASTMS, accused Tory MPs of playing politics and resorting to scaremongering tactics in their bid to exploit current industrial relations difficulties.

They were not really interested in good industrial relations and were not prepared even to await the outcome of the discussions between the Prime Minister and the TUC.

"There is a new concordat on the way. There is going to be a code of conduct on picketing," he insisted.

He emphasised that many managements favoured closed shops, regarding them as a means of promoting improved industrial relations.

Price Bill bargaining

BY ELINOR GOODMAN

MR. ROY HATTERSLEY, the Prices Secretary, was last night making an eleventh-hour effort to persuade Scottish Nationalists from supporting a Liberal proposal which the Government fear would make nonsense of part of its plan for tightening price controls.

On Tuesday, the Lords passed a Liberal amendment to the Price Commission (Amendment) Bill which will protect profits of companies faced with higher raw material costs.

Since the purpose of the Bill is to remove the profit safeguards, the amendment was regarded as very damaging by the Government, which has given notice that it will oppose it when the Bill returns to the Commons for a third reading.

The Government's only hope of killing the amendment is to do a deal with the SNP, but since the amendment is very similar to one put forward by the Scottish Nationalists at the Bill's second reading their natural inclination was to support it.

Last night, however, the SNP was trying to discover what concessions it could squeeze out of Mr. Hattersley in return for not supporting the clause. The main idea again seemed to be the idea of a reference to the Price Commission on regional variations in prices.

Pickets debate

BY IVOR OWEN

TORY and Liberal peers last night called for more decisive action from the Government to ensure that agreements made by unions in introducing voluntary codes of conduct on picketing are fully observed.

Their persistence in complaining about lack of Government leadership brought a protest from Lord Peart, the Leader of the House, who pointed out that picketing was one of the matters which the Prime Minister was discussing with the TUC.

At one point, he asked Lord Byers, the Liberal leader: "What do you want us to do immediately—shoot them or what?"

This brought a barely audible murmur of "Yes" from the Tory benches.

Lord Peart snapped: "I hope noble lords will be very careful about what they say on this matter today."

Lord Byers maintained that the fact that the Government was engaged in discussions with the TUC did not provide an answer to the immediate problem.

"What disciplinary powers will the unions use on their own members?" he demanded.

Lord Peart replied that this was a matter for the unions.

Dockland complaint

BY PAUL TAYLOR

A SEMI-AUTONOMOUS industrial development board with its own budget is needed to encourage redevelopment of London's docklands, MPs heard yesterday.

The proposal came from the Joint Docklands Action Group in its evidence to the environment sub-committee of the Commons expenditure committee, which is investigating slow progress in regenerating the docklands.

The board would include public and private employers, union and community representatives, and would be directly accountable to local authorities in the area through the existing Docklands Joint Committee.

It would be responsible for building industrial estates and negotiating with possible developers.

Mr. Nick Sharman, spokesman for the action group said the board, "with power to overrule individual boroughs," was necessary because the boroughs were like "six horses pulling in different directions."

Some mechanism which saw docklands as a whole was necessary to co-ordinate efficiently dockland's industrial regeneration, he said.

The board would be a semi-indipendent body which could cut through the sometimes-conflicting interests of individual boroughs.

Warning on 'split personality'

By John Lloyd

THE BOARDS of nationalised industries should not contain civil servants or worker or consumer representative, according to Sir Henry Marking, a former managing director and deputy chairman of British Airways.

Giving evidence to the select committee on nationalised industries on the relationship between Government and the public sector, Sir Henry said that civil servants "would have to develop a split personality" because they would be required to serve both their Ministers and the Board.

Worker directors would also find their position impossible because "they could not take decisions on the possible redundancy of the workers they represented."

As for consumer representatives, they could not represent "the 56 million consumers who are the citizens of this country.

Sir Henry said that a nationalised industry Board should be responsible to one man, the Minister of its sponsoring department.

NCB predicts trouble in breaking even

BY JOHN LLOYD

THE National Coal Board will find it "difficult to break even in the current financial year," according to its chairman, Sir Derek Ezra.

It is also likely to require increased grants from the Government in the coming year, and will almost certainly not be able to make any provision towards its investment programme.

At the same time, Sir Derek said that if the price of oil were to increase this year, the price of coal could move up as well, thus improving the Board's financial position.

Sir Derek, who was giving evidence to the select committee on nationalised industries, drew a sober picture of the NCB's immediate situation. He said that it was due to a weakness in the main markets of steel and, to a lesser extent, electricity, coupled with an investment rate of £500m a year on which high interest rates had been paid.

Asked if the productivity bonus scheme, introduced to the coalfields a year ago, was self financing, Mr. Norman Siddall, the Board's deputy chairman, said that it was "very difficult to assess. It is certainly going in the right direction."

Sir Derek said that the scheme had been responsible for contributing an extra 100,000 tonnes of coal to production in the last nine months of 1978.

The Board believes that its short term position is unlikely to improve in the near future.

The coal/oil price ratio, the crucial factor in coal's attractiveness to the power generation market, is currently 0.89:1 in favour of coal, which is not sufficiently in coal's favour to give it a significant lead over oil.

Sir Derek stressed that, even with increased grants and subsidies from Government, UK coal would still cost the taxpayer much less than its European equivalent.

Each tonne of UK coal now receives a subsidy of 56p, compared with £11.93p on West German coal, £14.70p on French coal and £24.6p on Belgian coal.

Field will concentrate on low pay

By Paul Taylor

MR. FRANK FIELD, director of the Child Poverty Action Group since 1969, has resigned to take a more active role in the Low Pay Unit.

Mr. Field led the group's campaign to establish the Child Benefit Scheme and was involved in the leak of Government plans for the scheme in 1976-77.

Announcing Mr. Field's resignation today, Professor Peter Townsend, group chairman, said his leadership had been "inspirational."

As director, Mr. Field had developed CPAG into a major pressure group with 65 branches.

Mr. Field is a director of the Low Pay Unit and said he hopes to concentrate on investigating low pay, employment and relativities.

He will continue to work at CPAG until a replacement director is found.

● James McDonald writes: A Shelter report, Housing — a Guide for Local Action, calls on local housing groups to press the Government and local councils for a better deal for the homeless and badly housed.

Welsh campaign against bureaucracy

BY ROBIN REEVES

A MARCH 1 referendum vote for Welsh and Scottish Assemblies will represent the first halt to the floodtide of bureaucratic centralisation which has swept across British political society during the last 50 years, according to the Wales for the Assembly campaign.

"We have it within our grasp to set in motion a process that can lead the the democratic decentralisation of British politics to the benefit not only of Wales and Scotland, but eventually the whole of the UK," it declares.

Its referendum manifesto was launched simultaneously in Cardiff and Westminster yesterday.

"If we do not move forward along the path of reform on March 1, the problems, weaknesses and inadequacies of the British political system will remain. A 'no' vote will solve nothing," it warns.

"On the other hand, a 'yes' vote will help safeguard the quality of life in Wales and assist in developing political institutions of a human dimension which will be capable of preserving liberal democracy in societies which are increasingly complex.

"In this context, the referendum is not simply a parochial issue but has a significance that extends far beyond the boundaries of Wales." It stresses that, in the major countries of Western Europe, there is an unmistakeable trend towards new political institutions similar to the proposed executive Welsh Assembly.

Meanwhile, the Labour No Assembly campaign, led by Welsh MPs Neil Kinnock and Leo Abse, has issued a document challenging what they call the false claims of the Vote Yes campaigners.

It argues that the Welsh Assembly will not bring any tangible economic or social advantage, will damage local government, fracture the UK, diminish the possibility of a majority Labour Government, risk financial assistance vital to the existence of Wales and cost money that Wales has not got and cannot afford to spend.

Launching the document, Mr. Abse also hinted that he and other Labour MPs would vote against any Government move to establish the Welsh Assembly if there was a yes majority in the referendum but the requirements of the 40 per cent clause had not been met.

"If the Government sought to lay the order in terms designed to placate the nationalists and ease the parliamentary position temporarily, we would not be prepared to sacrifice the interests of Wales to gain a few weeks longer for the Government," he said.

For those who wish to enjoy the most civilised and powerful motoring BMW offer a new Coupé, the 635CSi. Together with the established 633 CSi, these BMW Coupés offer the driver two brilliant and dynamic alternatives. Which one you choose is a question of taste.

The automatic choice is the BMW 633CSi with its ZF 3-speed automatic transmission. Power is from a 3.3 litre, six cylinder, fuel injected engine. Maximum speed is in excess of 130mph, but this, for obvious reasons, is largely unimportant. What is so pleasing about the 633CSi Coupé is the way it behaves when you drive it, the feeling of pleasure it gives. With its true four-seat capacity, its standard option of leather or velours upholstery and its feeling of refined purpose the 633CSi is one of the most civilised Coupés you can have.

The new BMW 635CSi offers something extra in sheer performance terms. Its engine is larger, 3.5 litres. It produces 218bhp and has a top speed of 140mph. 0-60mph time is 7.3 seconds and the suspension is uprated. The graphite, henna and polaris models come with front and rear aerodynamic spoilers whilst all other colour variations come with standard exterior trim. Moreover, the 635 offers you the delights of an engine of incredible torque and power matched to a five speed gearbox. Luxury refinements remain the same as the 633.

So the choice between the two BMW Coupés is not simply automatic. May we suggest you try them both so you can determine precisely what balance of civilised performance pleases you most.

Specification Resumé.

BMW 633CSi Coupé (Automatic).
Engine: 3210cc, six cylinder, fuel injected producing 200bhp. Automatic transmission.
Performance: Maximum speed 134mph. 0-60 in 10.1 secs.
Price: £15,379

BMW 635CSi Coupé.
Engine: 3453cc, six cylinder, fuel injected producing 218bhp. 5-speed gearbox.
Performance: Maximum speed 140mph. 0-60 in 7.3 secs.
Price: £16,499

(Prices correct at time of going to press. Source of figures. BMW.)

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMPUTING

System tuner will save money

WHETHER major manufacturers like it or not—and some like it not at all—the conviction is growing among users of medium to large computers that some form of system performance monitor is essential.

This is also becoming the case where a single large central processor is being used, whereas until fairly recently, performance management was generally believed to be justified only where two or more central processors were working in harness and particularly in the latter case.

Now, Tesdata reports that users of its MS88, which costs between £80,000 and £140,000, can generally expect to recoup their investment in a year. This applies to the larger computers of whatever origin.

In fact, Tesdata can point to a major increase in demand for its performance monitoring equipment—which pinpoints where a computer system is sluggish or inefficient—coincident with the start of deliveries of IBM's 303X machines and an upsurge in installations of the bigger ICL 2900's.

In Britain alone, the company provided £1m worth of test packages during 1978, 75 per cent up on 1977, and counted among its new users the Post Office, Woolworths, Shell, Barclays Bank, Will Faber and Dumas and B.L. Cars.

The latter in late 1978 centralised its computer support facilities at Redditch, using several large IBM units. Tesdata's MS88 was delivered in September and staff engaged in the task of balancing and scheduling the use of resources as new hardware was switched in found the monitor a very valuable tool.

In particular, the real-time graphics display and daily resource reporting on system usage made workload management much simpler.

Tesdata is at Tesdata House, Hatfield Road, Slough, Berks. Slough 71961.

Multiplexer can think

NOW THE microcomputer has been applied to the multiplexer to enable it to assess transmission channel loading and act accordingly.

The device, Micom Micro800 is marketed by Scicon Computer Services, Brick Close, Kiln Farm, Milton Keynes MK11 3EJ (0908 565656). Its secret lies in using the micro to communicate with each transmission channel and assign data to the channels as required.

Up to 16 asynchronous terminals can share a single telephone line without changes to any hardware or software. The device also allows one or two synchronous channels to be multiplexed at the same time. It is also compact, weighs only 5 lb and is available for speeds between 50 and 4800 bits/sec.

The special advantages of Micro800 lie in its ability to buffer data before transmission, to transmit variable length data blocks according to the loading on individual channels and to check data blocks received on the high speed line and request re-transmission in the event of errors.

Acquires the data fast

FOR ON or off line working, the MFE 2500 data acquisition cassette system from Data Dynamics, Springfield Road, Hayes, Middlesex (01-848 9781) will store 2000 86-character formatted records, recording at 800 bits/inch.

Standard ANSI/ECMA format is used and the read and write operations are carried out at 12 inches/sec. Rewind is at 80 inches/sec.

The machine has two serial ports which would normally be connected to a keyboard terminal and a CPU/modem respectively; the former is RS232C or 20mA current loop, the latter RS232C. The communication speeds are switch selectable at 110, 300, 1200, or 2400 baud.

Controls (send, receive, rewind etc) can be from the front panel, or by ASCII characters received from line in which case they are more comprehensive.

An "in-house" design of cassette is used which is mechanically very simple and has a claimed mean time between failures of 15,000 hours. A servo system provides a long term speed accuracy of 1 per cent.

Design to suit the small company

A MINICOMPUTER system aimed at small and medium sized businesses, the K2600, has been introduced as a "total service" by Kalamazoo, Northfield, Birmingham B31 2RW (021 475 2191).

Physically the system consists of an under-the-desk mini, visual display unit with keyboard and a daisywheel printer. Programs are contained on floppy discs prepared by Kalamazoo to suit the customer's needs. The user requires no programming knowledge; any job on the computer is put in hand by sliding the appropriate diskette into the processor's disc drive.

The usual accounting jobs—order entry, invoicing, sales ledger, stock control or payroll—can be carried out singly, or with switching from one to the other with minimum fuss.

Kalamazoo says that it will first carry out an intense survey of a customer's needs, leading to a tailormade system, and will follow this up with all training and maintenance of hardware and software.

Plot scope extended

CALCOMP, Of The Ring, Bracknell, Berks RG12 1ER (0344 50211) reports that it can now offer a hardware/software interface package which will enable users of Data General computers running under that company's advanced operating system to use CalComp electrostatic plotters for high speed graphics output.

A component of the package is a run time plot monitor which allows users to select parameters such as number of plot copies and job linking. Program efficiency is ensured by selecting program buffer sizes in order to obtain the best plotting throughput.

The package is compatible with CalComp's functional and application software covering a variety of subjects from business reporting to seismic mapping.

Remote study of noise

DIGITISED measurements of sound levels can be sent from a number of noisy sites to a central point for assessment using a monitoring system devised by Computer Engineering, Wallace Way, Hitchin, Herts SG4 0SE (0462 52731).

The digitising unit, in a weatherproof steel case, is normally sited at the foot of a microphone mast and sends its data over normal telephone lines to the central processor; commands can also be transmitted in the opposite direction to check for system malfunctions. Up to 20 stations can be connected to the computer and it is possible to transmit sound levels to an accuracy of 0.1dB.

Two transmission modes can be provided. One is relatively simple and uses voltage-to-frequency data transmission to a tape recorder in simplex mode while the other is used for multichannel data logging with Datel transmission to a computer system in order to monitor say, noise control procedures at a busy international airport.

● INSTRUMENTS

Code opens locked doors

FOR FITTING in place of conventional door locks in domestic, business and industrial premises, a push-button electronic device called Computalok Mark 2 has been put on the market by Nedinez, 28 Pemberton Road, Wigan, Greater Manchester (0942 83572).

The door-mounted unit is fabricated from stainless steel and houses a push-button numerical keypad and a doorbell button. Operation is in conjunction with a solenoid-actuated latch.

To gain access a five number code has to be punched in the correct sequence, triggering the door latch release. If any kind of error is made in the button depressions the latch fails to operate and the unit re-sets itself after about five seconds, to await a further attempt.

Operation is from 12 volts dc derived from the mains via a separate power unit installed elsewhere. Standby battery operation can be included to counter mains failure, and there is also a version in which a plug-in pack has to be used in conjunction with the code selection in order to gain entry.

Stops out of balance damage

IF LOAD imbalance in an industrial centrifuge becomes excessive, expensive and possibly dangerous failures can occur and Servodyne Controls, Sadler Forster Way, Thornaby, Stockton on Tees, Cleveland (0642 593718) has just introduced its Out-of-Balance Monitor Mk. 3 which can take action before danger level is reached.

Prevention of damage is based on the fact that a certain amount of vibration can be tolerated before dangerous conditions arise. The unit, linked into the centrifuge's control circuit, allows for the fact that vibration at different speeds and at different points in operating cycle will need different corrective action. Two warning levels are thus available, with a built-in delay ensuring that momentary, but harmless, judders do not cause an alarm.

Actions taken by the unit will vary, according to machine type: sometimes a sudden shutdown can be as dangerous as excessive vibration. In these cases any associated process such as feeding or emptying can be interrupted to allow balance to be restored.

The monitor, easily installed, is supplied in a weatherproof case and versions are available for flammable environments.

● POWER

Portable generator

MANUFACTURED by Atlanta Engineering, Hanworth Lane, Chertsey, Surrey KT16 9JX (Chertsey 62655) is a new range of portable engine driven generators for site use where mains are not available.

Output powers from 1.1 to 6.25 kVA can be provided by the various units, which are driven by a Briggs and Stratton industrial four stroke petrol engine running at 3,000 rpm. Manual recoil starter and choke are provided.

The driven alternator is fully protected from rain and dirt and a bridge rectifier control circuit maintains the voltage to five per cent at 50HZ.

● TRANSPORT

Lightweight towlines are strong

HIGH STRENGTH low weight towlines from Lennart Palm AB, Staketgatan 3, 803 58 Gävle, Sweden are easier to handle than conventional heavy duty lines which can weigh from 90 to 180 lb.

The 24 tonne medium duty Palm line, for example, weighs only 10½ lb for 20 feet.

All three of the lines offered, for loads of 18, 24 or 36 tonnes, are made from polyester fibre covered in polyester fabric with the eyes at each end covered in leather. Additional protection is afforded by a sliding sleeve for use when a "V" arrangement of lines is used for towing, having two attachment points at the front or rear of the towing vehicle.

Main use is expected to be for the recovery of tractors, harvesters, bulldozers and similar vehicles bogged down in soft or muddy ground.

The maker claims that the lines will not part suddenly if overloaded, but give way gradually, strand by strand. In addition, the lines are not harmed by diesel oil, battery acid, salt water, petrol or detergents.

● BANKING

Robot cash terminals of new design

NCR has released its second-generation self-service financial terminals. The NCR 1780 incorporates new facilities resulting from NCR's four years' experience of self-service "mini-bank" terminals with 770s (NCR's first generation) installed by leading financial institutions.

The UK heads Europe in the use of this kind of device, with some 240 770s ordered or installed by Barclays and National Westminster banks.

NCR already has orders for 100 1780s each from Barclays Bank, Midland Bank, and the National Westminster Bank. The Yorkshire Bank has also ordered the new system.

The Dundee plant also has orders to manufacture 1780s for financial institutions in Ireland, Spain, the U.S., and other countries.

Developed and manufactured in Dundee, the 1780 will carry out the same transactions as the 770, but it is smaller, lighter and easier to instal at a lower cost. Its microcomputer with up to 128K of memory, enables the terminal to be tailored to the needs of each bank or branch. It can be programmed to carry out a variety of transactions and operate on or off-line to a central computer. When it operates independently of the central machine, details of transactions are captured on cassette for later processing.

Mounted through the wall of a bank or installed in other sites such as stores, supermarkets, offices, factories or railway stations, the 1780 enables banks to improve customer facilities and provide a round-the-clock service.

Customers issued with an appropriate magnetic stripe card can not only withdraw cash, but carry out a number of banking services such as account inquiries, cheque book or account statement requests, pay bills by account transfers, obtain foreign exchange rates or make deposits. All are done simply and automatically, with customers guided through each transaction by step-by-step instructions on a visual display screen. Among security features is a file in the memory of the terminal of lost or stolen cards. The cards themselves are also specially treated to enable the terminal to spot illegally manufactured cards.

NCR, 206, Marylebone Road, London NW1 6LY. (01-730 7070).

● ENERGY RESOURCES

Simple sun following device

TO GAIN maximum heat from the sun, the plate or collector array should be kept pointing sunwards. A simple tracker invented in Australia uses mains water pressure and heat-sensing pipes to keep the solar heater facing towards the sun.

The tracker is activated by a pair of airtight tubes on either side of the unit. When the sun shines on one tube more than on the other, the air inside expands, moving a diaphragm. This, in turn, activates a three-way control valve, allowing mains water to enter hydraulic cylinders and turn the unit.

It consumes water, but no power, and costs only $A30 to produce.

Another development is a gravity heat pipe heat exchanger, which is a sealed copper heat tube from which air is evacuated and in which a small quantity of water is placed.

The tube is inserted in the focal point of the collector, a parabolic reflector, and protrudes into the storage tank.

The water under vacuum boils at a low temperature. When it boils, the vapour travels up the pipe and into a storage tank where it recondenses into water. Latent heat of condensation passes through the walls of the tube and heats water in the storage tank. The condensed water falls back down the tube and is recycled.

As the tube parts are all contained in the tank it has overcome the problem of heat exchange. With a 76.2mm (3-inch) foam insulation as an outer layer to ensure heat retention and with the pipe contained in the storage tank, there is no reverse convection to cause heat loss.

The developer has been negotiating with NV Noordelijke Ontwikkelingsmaatschappij (NOM) of the Netherlands and with Maschinenfabrik Augsburg-Nurnberg (MAN) of Munich, Federal Republic of Germany.

Further from Australian Science Newsletter, POB 12, Canberra, ACT 2600, Australia.

● MATERIALS

Valve remembers shape

SHAPE memory effect brasses adopt a repeatable behaviour pattern when subjected to thermal and mechanical effects. Any device made of such materials will perform certain deflections repeatedly for the same load and temperature. Restoring the load and temperature to the initial condition restores the device to its original dimensions.

The material has been incorporated into a thermostatic radiator valve creating a solid-state device.

Contemporary designs of valves use vapour phase bellows or wax cylinders to actuate the valve in response to a change in temperature. But a common problem with this type of valve is loss of working fluid due to imperfection in seals, which leads to a change in calibration temperature and eventual loss of performance.

The shape memory effect valve cannot suffer such changes in characteristics. In performance terms the thermal sensitivity of the sensor-actuator (the distance which will move the valve for a unit change of temperature) is approximately twice that of contemporary designs, which results in a more responsive and sensitive device.

Spring elements of this material are manufactured on standard spring winding machinery using material produced by the conventional extrusion and wire drawing route.

Delta Memory Metals Company, Ipswich, Suffolk.

THE MARKETING SCENE

EDITED BY MICHAEL THOMPSON-NOEL

TESTING THE "OFFICIAL VIEW"

Turning Tables

BY STEPHEN KING

NINETEEN SEVENTY-EIGHT was the year of the Official View of advertising. It came from the EEC Commissioners, the Office of Fair Trading, the Price Commission and of course Mr. Roy Hattersley. Now in 1979 it seems that profitability safeguards will be removed from the price control powers, and that gives a renewed importance to the Price Commission's attitudes.

The normal reaction of advertising people in circumstances like these is one of irritation, despair, weariness and sometimes dread. So much of the Official View seems to be based either on the idea that psychological values are wicked or on an intellectual and aesthetic distaste for television commercials. It's an understandable reaction, but I think the wrong one.

In fact, we should be delighted each time the Official View is made explicit. Just as the advertising business gained enormously from the criticisms expressed by Mrs. Shirley Williams and Mr. John Methven in 1974, so it can gain from today's pronouncements. Once they are explicit they are open to analysis and research.

There were two especially hopeful signs in 1978. First, the Office of Fair Trading, instead of launching into political speeches about how misleading advertising is, carried out a survey. What was encouraging was not simply that the resulting recommendations on advertising controls were balanced and sensible. It was that they were based on an analysis of a sample of advertisements and a consumer survey—not on prejudice or the "evidence" of interested parties.

The second hopeful sign came from the Price Commission in its report on Lever Brothers. It, too, commissioned consumer research, and concluded that while consumer groups said that temporary price reductions confuse the customer, "most housewives seem to be satisfied that they have no difficulty in assessing value for money."

What we must do now is build on these first signs of rationality. Much of the Price Commission's attitude is still implicit, either buried in reports or confused by the striking contradictions seen at times betwen its analyses and its conclusions.

But Mr. Hattersley and his Ministry have put up a number of clear propositions for discussion. We should, of course, go further than discussion. We should treat the propositions as hypotheses to be tested—both against established research findings and through new research. Take, for instance, three of the Hattersley propositions.

The first is that advertising by existing brands can act as an unreasonable barrier to entry for new brands, and thus inhibit competition. Once the economic theorists get hold of this one, the arguments are interminable: economists are perhaps at their weakest on the concept of competition. But it isn't necessary to rely on argument alone; the hypothesis can be tested. There is a lot of published research already.

It covers how new brands do enter markets (for instance, John Parfitt and others on consumer panels; John Davis on retail audits; Nielsen on distribution), what the differences are between successful and unsuccessful new brands (most analyses show the key factor to be recognition by consumers that the new brand performs "better" than existing brands), and the realities of "brand loyalty" (Andrew Ehrenberg's analyses of consumer panel data).

The hypothesis could also be tested directly by new analysis and research. For instance, is there a higher rate of new brand entry in little-advertised markets than in highly-advertised markets? Dr. Duncan Reekie's analysis of 41 markets suggests that the reverse is true; and it would not be difficult to extend his work. Equally, if we want to find out what deters manufacturers from entering new markets, why not ask them?

I suspect that existing advertising expenditure levels would be much lower on the list of potential early barriers than, say, capital investment, patents, inexperience of product type, shortage of R & D skills, the difficulty of producing a "better" product and, above all, potential low profitability.

The second proposition is that advertising can unnecessarily raise prices, especially where it is used to maintain manufacturers' profit margins. The counter-argument is that advertising increases efficiency and thereby cuts total costs per unit, through economies of scale in production and distribution and through controlling the flow of operations. Again, the hypotheses are testable. Dr. Reekie has demonstrated that advertising costs can be more than offset by lower costs in retailer margins, and this work, too, could be extended.

A recent study by JWT and the Advertising Association showed that the prices of the old-established "heavily-advertised" food brands (those on the market in 1964 and spending over £250,000 on advertising in 1977) rose by 220 per cent between 1964 and 1978, compared with 309 per cent for food prices in general.

The third proposition, that advertising creates false wants, doesn't on the face of it seem quite so amenable to reason. But I wonder. If, as appears to be the case, a false want is a want thought false by Mr. Hattersley, the research needed to provide a definitive list might be quite cheap. An interviewer, a notepad, a pencil, a darkened room and half an hour of Mr. Hattersley's time surely wouldn't cost the earth.

The resulting list could then be tried out on consumers, with unprompted and prompted questions. "Can you tell me what you have bought recently that you didn't want?" (Show list A). "Have you bought anything on this list? Did you want it?" (If No, close interview. If Yes . . . .). "Was that a real want or a false want? Would you like very much/a bit/not very much not at all a list of false wants, signed by the Minister? How much would you be prepared to pay for a list of what you ought to want instead? I'm sure that between us we can crack this one.

Mike Reynolds: "Please don't ask the price. All books 40p."

Hugh Routledge

How a barmitzvah chat sold a million books. Iain Murray reports

Enter Reynolds—the bouncy bookman

MOST PEOPLE can tell at a glance the difference between a book and a baked bean. A good book offers far more nourishment, for a start. But in the eyes of Michael Reynolds, there is nothing to choose between them: both exist to be bought and sold at a profit.

He would, however, be the first to admit that he knows more about food than fiction; for 13 years, until his resignation in 1977, he was managing director of the Spar group of independent grocers, and he has been in the book trade for only slightly more than a year. But he has brought his knowledge of one world to the other with remarkable results.

His technique has been to combine and apply the marketing dicta of two of retailing's most illustrious sages. Michael Marks launched the business that was to become Marks and Spencer with a slogan, "Don't ask the price—it's a penny," and Sir Jack Cohen built Tesco on the sime philosophy, "Pile it high, sell it cheap."

As a concession to the polite world of publishing and the pressures of inflation, Reynolds's selling line reads, "Please don't ask the price. All books 40p." And he certainly piles them high. In his first year of trading he sold more than 1m books of almost every description, making him, he thinks, Britain's largest bookseller in terms of volumes sold.

He tells the story of how it happened with humour and evident satisfaction. He left Spar, he says, because he didn't see eye to eye with his new chairman, and finds the timing of his departure particularly ironical because he had just been awarded the CBE for his services to the grocery trade.

He spent the next few months visiting firms of headhunters, offering his head in an unusual reversal of the normal procedure. But there were no takers. "Controversial chief executives are difficult people to place," he says.

His luck changed one October Saturday when, at a barmitzvah, he was discussing business with some of the other guests — the way people do at barmitvahs — and one man announced that he was a remainder wholesaler. Reynolds replied that he knew to his cost what a wholesaler was, but what was a remainder?

The man patiently explained that a remaindered book was one that had come to the end of its saleable life at the full price, adding: "I've got a quarter of a million books I'd almost pay somebody to take away."

"My commercial ears pricked up," says Reyonlds. "I wasn't particularly interested in books, but I'm a trader. I like buying and selling. So on Monday I went round to inspect these books.

"Funnily enough, they looked just like books, and the cover prices ranged from £1 to £6. I said: 'If I find a shop, can we do business'? We argued and eventually agreed a price of less than 10p a book.

"On Tuesday, I drove around west London looking for a vacant shop, and at last found one of 400 square feet in Acton. On Wednesday morning, we took out a temporary licence on the premises. My wife signed the agreement because, for tax reasons, I didn't want a business at that time.

"In the afternoon we went back to the wholesaler and said: 'We've got a business.' He had 250 titles, and I told him that I only wanted fiction. He replied that he'd been in the business a little longer than I had, and advised me to have some non-fiction. So I agreed to take 20 of everything, 5,000 books altogether.

"He said he would deliver the following Wednesday. 'Don't be bloody ridiculous,' I said, 'I'm paying rent today. My wife's got an Escort Estate, she'll come and pick them up.' 'Have you any idea,' he said 'how much 5,000 books weighs?' Anyway, he did us a favour and delivered the next day.

"My wife and I went to the shop and decided we'd have to invest a bit of money into it, and we did—£40. We bought some light bulbs, and eight wall-papering tables—at a discount for a bulk purchase."

Reynolds had been wisely advised about the weight of books: one of the tables collapsed when he loaded some of his stock on to it, and the others had to be supported by empty boxes. But on the Friday afternoon, six days after his first conversation with the wholesaler, Susan Reynolds Books opened for business. The people of Acton were impressed. On Saturday, the first full day of trading, the shop sold 600 books. From that moment the business ceased to be run by Mrs. Reynolds.

"I realised that if I could keep up that kind of turnover, it could yield a very satisfactory gross profit. So I decided it was worth developing," says Reynolds.

Three more

By the end of the year he had opened three more shops in London, taking temporary licences. In March last year he opened his first provincial shop, at Coventry, and took £2,000 in the first week. Later, against the advice of friends, he took a very big shop, measuring 3,000 sq ft, at Worcester, and sold nearly £9,000 worth of books in the first week. At Nottingham, the figure was more than £9,000, and on two Saturdays more than 3,700 customers were served in a nine-hour day.

"That's more than six a minute," he says. "It must be the only bookshop in the country where people queue at the check-out." Susan Reynolds Books now has seven shops—at Knightsbridge, Fulham and Baker Street, and in Derby, Nottingham, Worcester and Manchester—and Reynolds is looking for four or five permanent, prime sites. In 1978, his first full year of trading, his turnover was £400,000, and the business's bank account stood at £50,000. This year he is aiming for a turnover of £750,000.

For a newcomer, Reynolds has some harsh things to say about the publishing trade.

"It's a backward business," he says. "Publishers are removed from the commercial realities of life. They've pushed up prices by reducing their print runs, but if they could be assured of sales, they would have greater confidence to produce more and that might bring down the price to the public."

He is particularly critical of the Net Book Agreement, which fixes the retail price of new books. "It's iniquitous. If I can place a large order with a publisher I should get a better price."

The publishers, however, say that discounts are not ruled out by the agreement. Mr. Peter Phelan, deputy secretary of the Publishers Association, explains that the purpose of fixing net prices is to give retailers some assurance that they will be able to meet competition on equal terms, and therefore, be encouraged to stock a wide variety of books. "And when you consider that we produce 35,000 titles a year, that's important. But there's nothing to prevent a retailer from negotiating a discount price with a publisher."

Mr. Tom Maschler of Jonathan Cape, and a leading figure in the world of publishing, accepts Michael Reynolds's comments on the commercial judgment of publishers. From time to time, he says, publishing houses produce a commodity on which they know they are going to make a loss, because they believe in it. Nor is it true, he says, that prices have gone up because print runs have been reduced; the reason for the rises is simply that production costs have soared.

Reynolds, however, defiantly maintains that books are commodities just like any others. One of his proudest achievements was his purchase of 100 copies of a work entitled A Detailed Diagram of the Brain of a Baboon. "People said I *was out of my mind, but I sold* the lot in a week. And at a margin that's healthier than they get in the food trade."

Radio—a terminal case

BY ANTONY THORNCROFT

ALTHOUGH its revenue missed the £30m mark last year only by a whisker, commercial radio is still a poor relations to some agencies and advertisers. The proliferation of local stations, served by just one annual research survey, persuades big-minded advertisers that the medium is not worth the bother of all that paperwork, or else they use it to mop up in a casual way any odd few thousand pounds at the bottom of the market budget.

Now Air Services, which sells time for ten local stations and acounts for around 40 per cent of the national advertising on radio, intends to change this. It has taken on Enterprise Air Time Systems, the computerised sales technique developed two years ago by Thames TV, and used also by Trident, with more TV contractors about to take it on board. The system enables a TV, or radio salesman, using a terminal, to see at a glance the best available spots for a potential advertiser. It is an aggressive, sophisticated and efficient aid to selling, and has enabled Thames to increase its share of the London advertising revenue with a smaller sales and back-up force. Clive Leach, sales director of Trident, is also enthusiastic. "It has been of particular use over these past six weeks, when the market has been subjected to a great deal of movement and change."

The computerised system is particularly good at finding a home for the late, late, advertising money which is the jam for the contractors. It also enables the pre-empt system used by Thames to work more efficiently. Eddie Blackwell of Air Services a pre-empt selling method for radio, but says that he is taking on Enterprise because "we find that one of the big disadvantages is that the major advtrisers do not know quite what they are buying with radio. Now we can give an advertiser an answer he understands." And although Air Services will master mind Enterprise, its stations will all carry terminals and pay some of the cost. The next step is to get the agencies in on the act, and the next after that will see the terminals doing the negotiating automatically. Then the salesmen can become marketing strategists.

News in brief . . .

● AGB has acquired the Attwood research operation for around £850,000, beating off a bid from the Market Research Corporation of America. The *attraction of Attwood to AGB is its successful continuous* research panels in the Netherlands, but the UK panels will be preserved as competitors to AGB's own panels.

● BMP has gained the £1m plus Halfords oil business. It was previously with Chetwynds which has also just suffered its first loss because of account clashes following its merger with Haddons. Imperial Tobacco is moving out its Ogden's advertising which had been with Haddons, because Chetwynd is a Philip Morris agency.

● There was a 7 per cent increase in volume sales of chocolate last year and the confectionery market as a whole grew by 4 per cent to a value of £1,518m, making it the biggest packaged goods area in the UK. Sugar confectionery sales were static. Three relative newcomers, Yorkie, Double Decker, and Bournville Selec*tion, helped to generate an* extra £50m in turnover between them. All told the British public spends 52p each week on sweets. These facts and many more, come from Cadbury's annual view of the confectionery market just published.

● Diner's Club International is using television for the first time in a campaign on London and Southern to attract new members and increase the awareness of existing card holders. Interlink is the agency.

● Buyers of cars advertised in the classified columns of the London Evening News could qualify for a loan for the purchase under a new scheme launched this week.

● Outspan has appointed ABH to handle its advertising.

THE JOBS COLUMN

Three cheers for production managers

BY MICHAEL DIXON

HOW LONG will it be, I wonder, before production managers deliver a short and conclusive answer to the regular pooh-poohings they receive from the trendier spheres of executivedom. The latest example is a finding from a study by the British Institute of Management and Bradford University which suggests that our production managers are generally a drab bunch.

"They're contented and satisfied with their lot," said the BIM gentleman who reported the finding to me. "They don't have the drive that makes a good salesman—say—want to become a sales manager and then a sales director."

What is more, he apparently believed that this supposed rigor mortis was so far advanced that present members of the production-managing fraternity would be unlikely to perk up even if their salaries were at long last hoisted to levels befitting some of the most difficult and important jobs in the economy.

Consulted about this latest revelation from the sophisticated social sciences, a capable production manager of my acquaintance answered, typically, with a practical question.

"If that's what they think," he said, "why don't they put it to't test by seeing what happens when they give us a bit more cash and recognition for a change, instead of making t'job worse by bothering us with their clip-boards and questionnaires? Perhaps that's why they think we're dull, though. Perhaps it's our fault because we've too much to do to bother about thinking up bright-sounding answers to psychologists' questions."

In which case the maligned production brotherhood are collectively in need of some well trained spokesmen. These should be not only fluent in psycho-babble and sociologese, but also capable of the sort of wit that the ears of university educated leaders of government and industry apparently find far more convincing than any evidence standing right before their eyes.

Debonair

The only apposite model I can think of was produced a while ago by a debonair young man at London Business School conference, after he had asserted that management in manufacturing was more serious than any job in the "secondary sector." Immediately challenged by an august financier to define what he meant by the secondary sector, the youngster replied. "Well, banking, . . . hairdressing; you know the sort of thing."

Since it is likely to take some time before production managers collectively become glib enough to emulate that, however, they might be cheered individually to hear right away of a job being offered on behalf of a multi-national group in the field of fast-moving consumer goods.

The post is being offered by Peter Giblin, senior vice-president for Europe of head-hunters Russell Reynolds. Since he may not name the employer, he has guaranteed to honour any applicant's request not to be identified to his client until specific permission has been given at a later stage. (The same undertaking has been given by the other head-hunters handling other jobs for unnamed clients' which I shall report here-after.)

Mr. Giblin is seeking someone who, based on the board of the group's main operating company in London, will take responsibility for the continuance and the development of all its production in about 30 different countries.

"This isn't a trouble-shooter's job; the operations to be taken over are in excellent order. And although a vital part will be masterminding the changes to production methods that will place the group in an even better position in 10 to 12 years time, it isn't a 'boffin's job.'

"An engineering degree would be a plus, sure. But the essential is a record which shows three things. First is a thorough knowledge of complicated high-speed production lines; second some proven success over time in improving plant so that costs come down: and third an awareness of the way developments in manufacturing, regardless of their beauty in engineering terms, have to be made to fit with other aspects of the business."

Suitable candidates might come from manufacturing management with any company whose products are complex, sweetly packaged, and pour forth in torrents. Age range is about 40 to 55.

Candidates also need fluent English and the ability to cope straight away with the "culture" of British industrial management. In other respects, however, nationality is no barrier. Linguistic skills in any or all of French, German, Spanish and Portuguese would be helpful.

Peter Giblin said that the possibilities were too variable for the company to specify a pay figure. But I feel that, in terms of United Kingdom management, the offer would need to be £30,000 to £35,000 plus car.

Applications with brief career details in writing only, please, to Mr. G. at Russell Reynolds Associates, 1 Mount Street, London W1Y 5AA, or by Telex to 8812021.

Yorkshire

IN CASE there are any production-managing readers who do not yet feel quite up to immediate, world-ranging responsibilities of the above sort, head-hunter Geoffrey King is offering a possibly suitable opening in Yorkshire. It is for a general manager of a high-quality, high-volume, light engineering operation belonging to a large, unnamed electronics group.

"We are looking for candidates in their thirties with a science or engineering degree," Mr. King said. "A manufacturing background is essential, plus a flair for marketing. The emphasis of the job is to increase productivity through strengthening the manufacturing base and then to go out marketing world-wide."

Although the recruit might come from anywhere, I sense that a "feeling" for Yorkshire customs and character would be deemed advantageous.

Salary about £12,000. Car. Applications with career outline to Geoffrey King, Cambridge Recruitment Consultants, 1a Rose Crescent, Cambridge CB2 3LL. Telephone 0223 311316.

Part-timer

AS A late gesture of goodwill towards the secondary sector, I'll point out that Neil Margerison of MSMS International wants a retired banker, accountant or company secretary to work for about three days a week with an unnamed £2.5m-turnover company in Chalfont St. Peter, Buckinghamshire.

The recruit will be responsible to the managing director for management accounting, foreign-currency dealing and general administration of the company, which is exclusive agent for 12 European concerns marketing professional audio and cable equipment and domestic hi-fi. There are 36 employees.

With £5,000-£6,000 basic salary and small car provided, the part-timer will also assess data-processing needs and otherwise prepare for the appointment of a full-time financial director after two years or more.

Applications with career outline to Mr. Margerison at 115, Mount Street, London, W1Y 5HD. Tel: 01-493 6807. Telex: 27950.

Marketing Manager

£10,000+ **Company Car**

Scottish & Newcastle Inns is the company within the parent Breweries Group responsible for the retail marketing and operation of over 1500 public houses and hotels throughout the UK. It has a turnover of over £100 million and is a major contributor to the Group's profit performance.

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In terms of man specification, the person required will probably be over 30, have sound experience in retail marketing, not necessarily in the licensed trade and have the potential and ambition to take advantage of future career opportunities in marketing or general management.

The remuneration package includes a salary around £10,000, non-contributory pension scheme and relocation assistance to the Edinburgh base.

To apply, please contact:
Henry Fairweather, Personnel Manager,
Scottish & Newcastle Inns Limited,
111 Holyrood Road, Edinburgh. Tel: 031-556 2591.

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The need is for an educated, well connected, sales orientated executive, preferably with a degree in engineering or economics, who is aged 30-40 and has at least eight years' experience at senior level in the development of business on an international scale in the energy related industries.

Salary will be negotiable in line with the importance of the position and will not be a limiting factor if the successful candidate appointed is of the required calibre. An attractive benefits package will be offered and future career prospects are excellent.

Write with full details of experience to Position Number AGS 7101 Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

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Applications are invited for appointment as an Insurance Officer in the Registrar General's Department of the Hong Kong Government. The successful candidate will head the Insurance Division of the department, advise on the implementation of the provisions of new insurance legislation and the development of appropriate enforcement policies and procedures, and administer the provisions of the Insurance Companies Ordinance.

Applicants must be fellows of the Chartered Insurance Institute; or full members of the Institute of Chartered Accountants in England and Wales or Scotland or Ireland, or the Association of Certified Accountants, or the Institute of Actuaries, or the Chartered Institute of Secretaries and Administrators; or equivalent. They must possess at least 10 years' practical experience at executive or managerial level either in the insurance industry or with a supervisory authority engaged in the regulation of the insurance industry in a place having a system of regulation similar to that of Hong Kong. Applicants without a professional qualification but with at least 15 years' practical experience as described above will also be considered.

The appointment will be for three years. The salary is HK$12,400 per month (approximately £15,660 p.a.*).

For further information and application form, write to the Hong Kong Government Office, 6 Grafton Street, London W1X 3LB, quoting reference RG/10 at the top of your letter. Closing date for applications:- 2 March 1979.

** Based on exchange rate HK$9.50 = £1.00. This rate is subject to fluctuation.*

Hong Kong Government

Financial Planning Manager

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The Financial Planning and Control activity is expected to make a significant contribution to the company's success, profitability and growth by providing positive service and financial advice to Directors and senior line management. It includes budgetary control to tight deadlines, self motivated planning and special investigations, developing new concepts in financial modelling, assisting in developing and updating accounting and systems procedures, liquidity management and investment appraisal.

Location: Maidenhead, Berks. Removal expenses will be given where necessary.

Please telephone for an application form or write giving brief career details including salary and job progression to:
P. S. Simpson, Director of Organisation Development, Black & Decker Limited, Cannon Lane, Maidenhead, Berks.
Telephone: 062 882 2130.

Black & Decker

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This major U.K. based worldwide manufacturing group has recently completed an extensive re-organisation of its diverse operations. A small team of Qualified Accountants or Graduates is now being formed to develop improved accounting and financial control systems to meet the demands of the new organisation. Initially, the team will work in conjunction with external consultants but will progressively undertake more and more assignments on its own. You should be aged around 30 and have wide experience of re-designing and implementing financial, management accounting and associated systems, covering manual and computer-based systems. The positions will provide variety of work, ongoing involvement with management and opportunities of short term visits in the U.K. and possibly overseas. Career prospects in the systems field or line management are first rate.

Applicants, male/female, should apply for a Personal History Form quoting reference AC226/FT to:

W.S. Gilliland,
Thornton Baker Personnel Services Limited,
Fairfax House, Fulwood Place, London WC1V 6DW.
Telephone: 01-405 8422.
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To £6,500

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Reporting to the Assistant Chief Accountant your task will be to maintain and reconcile control accounts, accounts for statutory audits, produce four weekly accounts for management purposes and provide regular ad hoc reports and accounting assistance as required.

Ideally, although not essentially, you will be a Chartered Secretary or hold an equivalent qualification and have good experience of book-keeping within a large company using computerised systems. Additionally, it is imperative that you enjoy working on your own initiative and can motivate and guide others.

We expect that you will be aged 40+ in order to have gained the necessary experience. Salary is negotiable, in line with your previous experience, together with the generous Rank Organisation benefits package. Please write with brief details of career to date, to:

Barbara Allen, The Rank Organisation, 439/445 Godstone Road, Whyteleafe, Surrey. Tel: Upper Warlingham 3355.

THE RANK ORGANISATION

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Financial Controller

London c.£10,000

Part of a leading international corporation involved in the energy industry, Vetco Overseas Construction Services Group provides assurance of quality of contract specifications for the petrochemical industry worldwide. Continuing growth has now created an opportunity for a professionally qualified Chartered Accountant or equivalent with at least five years industrial experience.

Initial responsibilities will be to carry out an internal audit of the Group's operations and a review of the current project costing system, implementing this across the Group. The person appointed will also establish a complete internal control procedure together with a management information system and ensure compliance with Corporate/Group policies. On a continuing basis, the job involves full responsibility for budget and financial analysis, including internal/external reporting, and assisting in the preparation of bids and future finance planning. Although location will be at our Group Headquarters in Hayes, Middlesex, some overseas travel will be involved — chiefly in the Middle East.

Salary is negotiable around £10,000 with benefits appropriate to this level of appointment. Career prospects within the Group — both at Headquarters and at our overseas locations — are very good.

Please write with brief career details to A. McKinnon, Group Personnel Manager, Vetco Overseas Limited, Construction Services Group, Ventura House, 72—74 Station Road, Hayes, Middlesex UB3 4DP. Tel: 01-573 7733.

VETCO

CHARTERING BROKER

Shipping Company in Antwerp requires Chartering Broker with minimum 5 years' experience. Fluency in Spanish an asset

Please write Box A6629, Financial Times, 10 Cannon Street, EC4P 4BY

ACCOUNTANT

Age 23/26

City office urgently requires accountant, part-qualified preferred, with experience and able to work on own initiative. Telephone 01-628 3734 with full particulars and salary required.

MERCHANT BANKER

FOR KUWAIT

A young and fast growing Kuwaiti Finance Company with independent management and strong European institutional connections is seeking to expand its top management team. Ideally the candidate will be at least 30 years old and will have an international merchant banking background with several years' exposure to both international banking and investment banking activities.

The position offers the opportunity for a successful business developer to play a leading role in directing the future growth of the Company throughout the Middle East. The position is open to both married and unmarried candidates. Housing and certain other benefits are provided and the tax-free remuneration of £14,000-£18,000 reflects the importance which is attached to the position.

Initial interviews will be conducted in London.

Please reply, enclosing your c.v. and details of companies to whom you do not wish your application to be forwarded, to our solicitors:—

Herbert Smith & Co.
62, London Wall
London, E.C.2

For the attention of Ref. 28.

Export Finance

c.£5,250

This is an opportunity to join the Marketing Department of one of the City's leading export finance houses. The job involves developing new business, servicing existing accounts and maintaining effective relationships with overseas customers, Government and official bodies. The environment is stimulating and fast-moving.

Candidates should have at least four years' experience in export, including commercial documentation and a knowledge of ECGD Credit Insurance. This will probably have been gained with a manufacturer or in an international banking/finance environment. Excellent career and promotion prospects; good pension and other benefits.

Please write quoting ref: FT/172, with a brief C.V. and listing any companies to whom you do not wish your application forwarded to Robin Atkins,

Riley Advertising Ltd,
Old Court House, Old Court Place,
Kensington, London W8 4PD.

A member of the Rex Stewart Group
LONDON BIRMINGHAM BRISTOL EDINBURGH GLASGOW
LIVERPOOL MANCHESTER NEWCASTLE NOTTINGHAM PERTH

Confidential Reply Service Riley

QUALIFIED A C A

INTERNATIONAL ASSIGNMENTS

Our client, a major U.S. electronics corporation based in West London are currently seeking two ACAs (24-28) to join their overseas division. The initial assignment of 2 years' duration is designed to give the successful candidates an in depth knowledge of the world-wide financial structure of the company. During this time extensive travel around Europe and South Africa (approx. 9-10 month) will be essential to give the necessary experience. Promotion from here is to a higher middle management position in Europe. Salary will be negotiable but generous and there are tax concessions (to be discussed at interview) and expenses. Further benefits are commensurate with those provided by the majority of prestige companies. These are career positions for those displaying outstanding ability and ambition.

For further information please phone or write in confidence:

Mr. M. Purtell
CHARLES LOXLEY ASSOCIATES
Eldon Chambers, 30 Fleet Street, EC4 - 01-353 9183

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

CURRENCY DEPOSIT DEALERS

Major International Bank — Panama

Our client, one of the largest international banks with a worldwide network of branches and associates, has two interesting openings for experienced Currency Deposit Dealers at its Panama Branch.

SENIOR DEALER $30,000 negotiable

This appointment calls for a dealer with five years' practical experience of Deposit Dealing, with the emphasis on Forwards. Preferred age is early 30s.

DEALER $25,000 negotiable

For this position, we seek a dealer aged 22—30 with a minimum of two or three years' Deposit Dealing experience, including Forwards.

Candidates for both positions should be fluent in English and have a good working knowledge of Spanish. There are future prospects of career development either in Panama or with the group internationally.

To discuss these appointments in confidence, please telephone SOPHIE CLEGG

First floor
170 Bishopsgate London EC2M 4LX 01-623 1266

GROUP FINANCE DIRECTOR

c. £50,000

A major international trading group is seeking a Group Finance Director to head its financial operations in the Far East.

This is a top-level appointment and the successful candidate must have held a senior financial appointment, preferably overseas. He is likely to be a chartered accountant and will probably be aged about 50.

Letters of application, which will be treated with complete confidence, should be addressed to:

J. C. Rouse,
RICHARDS AGENCIES LONDON,
Eagle House, 109, Jermyn Street, London, S.W.1.

CORPORATE FINANCE

GRESHAM TRUST LIMITED are seeking an executive for their Corporate Finance Department.

Applicants, aged 25/30, with professional qualifications and corporate finance experience are invited to apply in writing with full career details, in strict confidence, to:

L. J. Davies
Gresham Trust Limited
Barrington House, Gresham Street
London EC2V 7HE

Merchant Banking
Latin America

As a result of its increasing international business, Samuel Montagu wishes to appoint an executive to a newly-created position, based in London, in its International Banking and Finance Division.

The successful applicant will help to develop the bank's business in Latin America and will probably be in the age group 25-30 with at least 3 years experience of international banking and with good Spanish. The ability both to identify business opportunities and to negotiate with overseas clients is also a requirement.

Salary will be negotiable around £9,000 p.a. and normal benefits associated with employment in a major merchant bank will apply.

Applicants are invited to write in confidence with full c.v. to Mr. B. K. Barber, Personnel Director.

Samuel Montagu & Co. Limited
114 Old Broad Street, London EC2P 2HY

MERCHANT BANKING
Chartered Accountants

Based in the city, our client is the merchant banking subsidiary of a clearing bank. They have full issuing house status and need to recruit the following high calibre professionals.

ASSISTANT MANAGER
c. £9,500 + mortgage scheme

A qualified accountant aged around 30, preferably with some experience in merchant banking or the investigation department of a firm of C.A.'s. He/she will be expected to take on immediate responsibility in the department.
Ref 2380A

NEWLY QUALIFIED
c. £7,500 + mortgage scheme

Probably aged between 24-27, the successful candidate will be trained in all aspects of the division's activities and provide support on specific assignments.
Ref 2380B

Candidates must have maturity and the personal presence to operate at senior level. They will be creative accountants with the ability to function under pressure in a stimulating and challenging environment.

For further information and a personal history form please contact Neville Mills A.C.I.S. or Kevin Byrne B.A. quoting the appropriate reference.

Douglas Llambias Associates Ltd.
Accountancy & Management Recruitment Consultants,
410, Strand, London WC2R 0NS. Tel: 01-836 9501
121, St. Vincent Street, Glasgow G2 5HW. Tel: 041-226 3101
3, Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DLA

Senior Financial Analyst

South Lancs, c. £8,500

The objectives of this new exciting role, which is within the most rapidly expanding part of an international major group, are the optimisation of both operating performance and cash flow within its diversified member companies. Responsibilities will include the planning and monitoring of company budgets, capital expenditure, cost evaluation projects and analysis and appraisal of company management information and future business acquisitions. The appointee will also be expected to highlight known or potential problem areas affecting company objectives and to make appropriate recommendations. Candidates, ideally aged 28 - 30, must be qualified accountants with a number of years varied industrial experience covering such areas as corporate planning, financial and profit analysis, product costing and capital project appraisal. The need to be perceptive and capable of liaising with all management levels is a personal prerequisite. Success in this key role should lead to a sound future in this international company. The remuneration package includes a basic salary of up to £8,000 plus a bonus of around 10%. Assistance with relocation costs is also available.

G. Sable, Ref: 29202/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:
MANCHESTER: 061-236 8981, *Sun Life House, 3 Charlotte Street, M1 4HB.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD.

Recruitment Consultant/Director

MIN £12,000 + CAR AND EQUITY

We are a small team of highly professional specialists in the field of executive recruitment and personnel consultancy operating internationally from London and Windsor.

Our approach to recruitment is both by search and conventional advertising methods, our work in other forms of consultancy is developing steadily.

Currently, our need is to add to the team one or two consultants whose experience has been gained mainly in the functions of accountancy, computing or engineering.

Candidates must be in consultancy, be graduates and have experience in recruitment at senior management level. The likely age range is mid 30s to mid 40s.

In addition to salary, there are B.U.P.A. life insurance, pension benefits, and equity participation.

Write briefly to Charles Keel, B.Sc Eng., C.Eng., M.I.Chem. E. Barnett Keel Ltd., Providence House, River Street, Windsor, Berks. SL4 1QT. Telephone Windsor 56723. Telex 849323.

Barnett Keel
MANAGEMENT SEARCH

ACCOUNTANT

Yorkshire **c. £7,500 + Car**

For a multi-million pound subsidiary of a major group controlling several production and distribution units in the U.K.

Initial responsibility will be to the Senior Finance Executive for the effective organisation of the total accountancy function by co-ordinating the efforts of subordinate staff and the other functionally subordinate accountants at district locations.

Candidates must be qualified accountants and have several years responsible and broad experience in manufacturing industry, preferably in a company of comparable size, in order to cope with the Cost and Financial accountancy demands of the job.

Prospects for the right man or woman are very good in both the Company and the Group with the initial salary to be negotiated about £7,500 p.a. A Company car is needed to carry out the duties and will be provided. Re-location expenses will be favourably considered and other staff benefits are appropriate to a substantial organisation.

Please write in strict confidence to:

pm MANAGEMENT CONSULTANTS LTD.

BASINGHALL CHAMBERS,
18-22 ALBERT STREET,
HARROGATE HG1 1JT.

GROUP FINANCIAL ACCOUNTING MANAGER

c. £10,000

International Scope

A well-qualified chartered accountant, aged 28-32, is required to join the headquarters staff of a major British group with wide UK and overseas interests. The position has arisen as a result of effective management *development and rotational training programmes.*

The new manager, reporting at Board level, will have functional control of financial accounting in the UK and overseas, and will liaise with divisional financial controllers to meet accounting timetables, discuss improvements to accounting procedures and achieve consistency in the measurement of profitability throughout the group. The manager will also be responsible for the preparation of the group summary financial accounts on a monthly basis, and for consolidating all forecasts, budgets and review submissions.

Ideal candidates must be imaginative accountants with the temperament to handle a certain amount of regular routine work. Practical experience, perhaps at controller level, is as important as up-to-the-minute technical knowledge. The ability to develop and maintain successful relationships with divisional and corporate colleagues is crucial, as is the skill to analyse, summarise and present reviews verbally and in writing.

There are exciting promotion opportunities, and previous entrants in the *financial area of this group have found the work stimulating, demanding and* very worthwhile. Usual benefits are offered, including relocation to the Southern Home Counties where appropriate.

Candidates, male or female, should send a detailed career history to the consultant advising on this position quoting reference C15/FT.

JWT Recruitment Ltd
Executive Recruitment & Selection
40 Berkeley Square London W1X 6AD 01-629 9496

CROCKER NATIONAL BANK wishes to recruit a
FOREIGN EXCHANGE DEALER

to join its London team. The ideal candidate will be aged 24-30 years with a good standard of education and have at least 3 years active dealing experience.

A competitive salary will be offered commensurate with experience plus fringe benefits normally associated with a first class Banking Institution in London.

Applicants should write *in complete confidence giving full* details of their education, employment, present position and salary to:

Mrs. Helen Thompson,
Personnel Officer,
Crocker National Bank,
34, Great St. Helens,
EC3A 6EP.

DIRECTOR AND GENERAL MANAGER
MANCHESTER

c £17,000 p.a.

A well known Manchester engineering company requires a mature General Manager to lead its established management team in the task of improving profits from a base of a c £20m turnover.

The company, predominant in its industry, is a significant and autonomous profit centre of an internationally known group and employs more than 500 people on a single site.

Applications are invited from experienced qualified engineers or commercial/financial managers of either sex who have successfully held responsible senior management positions and demonstrated their ability to motivate and develop a complete organisation.

A starting salary of around £17,000 is envisaged with a quality car and other benefits appropriate to a to a major industrial group.

Please write to Box A.6633 Financial Times, 10 Cannon Street, LONDON EC4P 4BY, with full details of qualifications and experience and current salary, indicating how you measure up to this challenging task.

Pharmacia

is the fast growing subsidiary of a major Swedish Company marketing *pharmaceuticals, fine chemicals and* diagnostics. Their turnover is in excess of £5m and they employ 60 people.

To expand the Finance and *Administration Department in order* to meet the needs of growth they are now looking for an

ADMINISTRATION MANAGER

To head the Department

The successful candidate, male or female, will be a qualified accountant with a flair for organisation and administration and with experience in a marketing organisation. Reporting directly to the Managing Director his/her duties will include:

- ☐ Providing financial advice to the Managing Director.
- ☐ Providing financial information for budgeting and marketing planning.
- ☐ Providing financial advice to the Divisional Managers.
- ☐ Expanding the company's computer facility.
- ☐ Managing the entire financial and general administration facility of the Company with a staff of 9.

This many sided job demands a person with flair and versatility able to contribute to the operation of the Company as a member of the Management Team. Salary is negotiable and a car is provided along with a very good benefits package.

Please write in the first instance enclosing full personal and career *details quoting ref. no. 632 to* Ross M. Ormrod, Mercuri Urval Limited, 135A, High Street, Rickmansworth, Herts., WD3 1AR.

ASSESSMENT
Mercuri Urval
CONSULTANTS

BOEING
ENGINEERING & CONSTRUCTION INTERNATIONAL, INC.

has requirements for

SYSTEMS ENGINEER

Completely versed in the disciplines of hazard, safety, fault tree, FMEA and reliability analyses. A minimum of three years' offshore petroleum project experience is required including assignments related to interface control and offshore hook-up and commissioning liaison.

PROJECT PLANNING AND CONTROL ENGINEER

Extensive background in project planning and control and project management. Must be well versed in project management control procedures. A minimum of 1½ years' offshore petroleum project experience is required.

Both positions will be London-based.

Reply in confidence, *enclosing detailed curriculum vitae, to*

The Manager
Boeing Engineering and Construction
International, Inc.
Heathrow House, Bath Road, Cranford
Middlesex TW5 9QQ

QS BANKING RECRUITMENT CONSULTANTS

Unit Trust Representatives
to £8,000
Junior Credit Analyst
£5,000 +
Loans Administration
to £5,000

We would also like to hear from FX Administration, Documentary Credits, Accounts, Secretarial and Clearing Bankers who wish to develop their careers.

Please contact: Mike Pope or Sheila Anketell-Jones 01-236 0731
30, Queen Street, EC4.

CONTAINER LEASING DIRECTOR

International group of companies requires a top leasing executive fully experienced in container leasing operations to head future developments and plan and co-ordinate future policy. This is a top position and candidates will be reporting only to the main board of directors.

This position offers excellent salary, company car, company pension scheme and fully related bonuses.

Write Box A.6632, Financial Times, 10, Cannon Street, EC4P 4BY.

GENERAL MANAGER

BAUME & COMPANY LIMITED

Distributors of Longines High Quality Watches are seeking a General Manager

The successful applicant would report direct to the MD and should have a proven working career, having successfully held a similar or senior position involving office organisation, staff co-ordination and supervision, with a sales orientated background. Good salary and conditions plus car.

In the first instance please telephone
Mrs. C. Braschler, 01-242 8899

Taxation specialist — Wishing to further your career?

Invite yourself to one of our no-commitment evening career sessions where you can have a private individual talk-in with a senior consultant on the latest career opportunities in your field.

Appointments dairy—01-248 6321—Eileen McGimpsey
Personnel Resources Ltd—Financial Appointments
Hillgate House, Old Bailey, London EC4M 7HS.

CJ RECRUITMENT ADVERTISING
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No.887374

CJRA LONDON

FINANCIAL CONTROLLER — EDUCATIONAL TRAVEL

£8,000 — £10,000 + BONUS + CAR

A LEADING INTERNATIONAL EDUCATIONAL TRAVEL ORGANISATION

For this new appointment we invite applications from Accountants (A.C.A., A.C.C.A., A.C.M.A.), aged 25-30, male or female, with at least 2 years' post-qualification experience outside the profession, in any demanding commercial organisation. The prime responsibility will be to control the entire accounting operation for Europe, through the supervision of an accounting team of between 5-10 people. Although the current accounting system is manual, the decision to computerise within 2 years has been made, therefore, previous experience of developing and using computerised systems is highly desirable. Essential qualities are an eye for detail, a liking for hard work under pressure, as well as a sense of humour. Initial salary negotiable £8,000-£10,000 + bonus + car, non-contributory pension, free life assurance and disability schemes, free personal and family BUPA. Please send fullest career details in strict confidence under reference FC10941/FT to:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

Internal Consultants

Computer Systems Audit
London based, to £10,500 + car

Our client is a major international manufacturer and distributor of business equipment and supplies. With subsidiaries and EDP centres worldwide, central control is achieved through continuous information systems audit in its widest sense. The successful candidate will lead teams of professional systems staff reviewing existing or planned computer systems in the context of local effectiveness and utilisation of group information systems resources. Candidates, probably 27-35, must be graduates with at least 3 years in EDP systems management, ideally with IBM equipment. A full understanding of the business problems associated with large scale systems development is vital. There is about 30% travel, mainly overseas, and fluency in a second European or a Scandinavian language is preferred. The vacancy arises through promotion and prospects are excellent.

N.P.S. Lilley, Ref: 22010/FT.

Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Hoggett Bowers
Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Management Accountant

Fast foods — **to £8,000 + car + profit share**

- THE COMPANY — highly successful with a rapidly expanding turnover from its mainly franchised operations. Seeking to achieve greater financial control by providing first class service and advice in the use of effective accounting procedures and the prompt and accurate supply of management information.
- THE JOB — involves a regular programme of visits to the business units, located mainly in Southern England, and should lead to a line position within two years either in the company or the US parent group.
- THE REQUIREMENT — essentially a qualified, self-motivated individual, 25 - 30, who is keen to develop a commercial edge rather than sit behind a desk pursuing numbers for their own sake.
- The remuneration package is attractive. The company's headquarters are located in Farnborough, Hants.

Please write in confidence, quoting Ref. U811/FT, giving concise personal, career and salary details to R. G. Billen — Executive Selection.

AMS
Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL

Corporate Communications

Foseco Minsep is a worldwide group of companies, based in the United Kingdom, manufacturing and marketing proprietary products, primarily chemical, principally to the metallurgical and construction industries. The Group has an excellent growth record with world sales of around £200 million, operating companies in 28 countries and employs some 8,400 people.

We are seeking a Group Communications Manager to be responsible for external public relations at Group level and for the development of effective internal communications, including acting in an advisory capacity to subsidiary companies.

The appointment, reporting directly to the Board of Foseco Minsep International, reflects the expansion and re-organisation of an established function within the Group and offers an excellent career opportunity. The position is based at our London head office but will require active liaison at all levels with Group operations and maintaining particularly close contact with our international management base in Birmingham.

The successful candidate is likely to be in his or her early thirties with a broad experience of the organisation and techniques of corporate communication, and will be at home in technical, industrial and financial environments.

Salary will depend on the candidate's experience and particular qualifications to discharge the brief. Conditions of employment are excellent with the benefits expected from a major international company.

Applications, with a full curriculum vitae, to:—
Mr. R. A. Evans, Group Management Development Director, Foseco Minsep International Limited, 36 Queen Anne's Gate, London SW1H 9AR. Telephone 01-839 7030.

Foseco Minsep Limited

Money Market Advisor

One of the largest US-based international banks is seeking an experienced professional to join its Money Market Advisory Group, located in London.

The successful candidate will be responsible for providing advice to the Bank's corporate customers on money market activities and foreign exchange.

Applicants should have at least 3 years experience in —
- ★ foreign exchange management/consultancy
- ★ interpretation of economic developments and forecasting foreign exchange rates and other financial indicators.
- ★ money market operations and exchange controls

— gained in either a financial institution or a major multinational organisation.

Salary will reflect qualifications and experience. Other terms of employment are in line with best banking practice. Ref S3767/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to whom they should not be sent. They should include comprehensive details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA
A member of PA International

Financial Planning and Analysis

Age 30-35 — **c£12,000 plus car**

This is a new post reporting to the European Regional Controller of a substantial corporation engaged in the manufacture and marketing of industrial goods and capital equipment.

The corporation has well-defined financial strategies for its business development, and clear measurement criteria for its operating performance.

The job responsibilities are broad, incorporating detailed financial planning; the analysis and investigation of business performance; the improvement of accounting systems and procedures; and the development of economic forecasts against which the various territorial business plans and performance can be assessed.

The essential requirements are industrial management accounting experience in an operating environment; evidence of ability in financial planning and developing economic projections; and an accounting qualification or business/economics degree.

Central London location, with UK and European travel. Career opportunities will arise with the continued development of both the corporation and the finance function.

Please write in strict confidence (ref.132/FT) with full personal, career and salary details to:—

Philip Smith
Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

FUND MANAGER
FAR EAST PORTFOLIO

Provincial Insurance Company Limited is a medium-sized composite company with a 1977 premium income *of £68m and present funds under management of* £150m. The Investment Department wishes to recruit a Fund Manager to join its small team. The successful applicant will be required to assume responsibility at an early stage for the Far Eastern portfolio which is mainly concentrated in Japan but also with some exposure to Australia, Hong Kong, Malaysia and Singapore.

Applicants should ideally be under 28 years of age, hold a degree or professional qualification and should have two years' experience in managing a Japanese investment portfolio.

A good starting salary will be offered and fringe benefits include low-cost mortgage facilities and a company pension scheme.

Applications with curriculum vitae to the Investment Manager,
H. T. W. Janson,

Provincial Insurance Company Limited
222 BISHOPSGATE, LONDON EC2M 4JS.

Commercial Executive-Export

London W.1. nr. Piccadilly Circus — DORMEUIL

DORMEUIL LIMITED, who are *probably the largest firm of Woollen* Merchants in the world, with an internation*ally renowned brand image for textiles,* mainly in men's suiting material made *principally of worsted, wool and mohair,* have a vacancy for a Commercial Executive *to head the European Sales Office.*

Export sales, which form the main part of *the Company's business, are made both* through overseas Associates and direct to *customers.*

The Commercial Executive-Export will report to a Director and initially be responsible for:—
- **Administration, organisation and development of sales and distribution to customers in Western and Eastern Europe and North Africa.**
- **Reporting on European Associates based on monthly returns from those Associates.**

Responsibility for selling will be progressively assumed based on the successful *fulfilment of the initial duties. Promotion* prospects are good.

Candidates should have experience of export sales administration and export *selling of a consumer product, preferably in* a related field. They should be able to *interpret simple business returns and* report on their interpretation of those *returns.*

The ability to work in French, German or other European language is important, and experience in textiles would be a considerable advantage.

Age range 30 – 37 years.

Remuneration will be negotiable, dependent on ability and experience.

Please write stating age, current salary and how you meet our Client's requirements quoting reference CE/4004/FT on both letter and envelope. Men and women are invited to apply. No information will be disclosed to our Client without permission.

Urwick, Orr & Partners Limited
Management and Selection Consultants
Baylis House, Stoke Poges Lane, Slough SL1 3PF

INVESTMENT ANALYSTS

Due to expansion, the Standard Life Assurance Company has vacancies for Investment Analysts at its Head Office in Edinburgh. The Company is the largest Mutual Life Assurance Company in the European Community with invested funds which exceed £2,000 million and which have been doubling every six or seven years.

Ideally candidates should hold a degree and/or a professional qualification and preferably have practical investment experience as well as theoretical knowledge.

Commencing salary will be based on qualifications and experience. The Company operates generous employee benefit schemes including Staff House Purchase Scheme, non-contributory Pension and Life Assurance Scheme, flextime work, dining room facilities etc.

Applications should be made in writing to:

Standard Life
3, GEORGE ST., EDINBURGH.

Senior Financial Analyst
Multinational Food Group — Italy

W. R. Grace & Co., one of the world's leading multinational corporations, have an exceptional opportunity for a Financial Analyst to join one of their subsidiary companies, *'Barilla S.p.A.' based in Parma,* Italy.

Barilla, with annual sales of $250 million, is among Italy's major suppliers of processed foods and holds market leadership in several important segments. The company is *extremely advanced technologically and* is undertaking an aggressive programme of expansion through further diversification into convenience foods, which will be sold both in Italy and throughout the world. The capital investment involved will be some $20 million in the next two years alone, requiring detailed financial analysis using the Company's sophisticated computerised management information system.

This expansion has created the need for an additional Senior Financial Analyst to join an existing multinational team responsible for preparing meaningful business proposals for submission to Grace headquarters in New York.

The ideal candidate is seen as aged between 23 and 27 with a background in financial analysis and/or accounting, who wishes to make a career within a multinational organisation. Highly developed writing skills and the ability to communicate with *all levels of management are considered* essential.

The position carries an extremely attractive salary and benefits package, plus a terminal gratuity of one month's salary for every year of service.

Parma is a very pleasant and cultured city at the foot of the Apennine mountains, less than 1 hour's drive from the Italian Riviera and the nearest ski resorts. In addition, it is Company policy to provide suitable lessons on the Italian language for non-Italian speaking staff.

If you wish to take advantage of this outstanding opportunity please send full *career and personal details to.*

D. Dewell, Group Personnel Manager.
W. R. Grace Ltd., Northdale House.
North Circular Road, London NW10 7UH
Preliminary interviews will be held in London.

GRACE

Contract Administration & Financial Management
Commercial Manager
North Wilts

Emerson Electric Industrial Controls, a profitable subsidiary of a major U.S. Corporation, sells high value capital equipment to a wide range of customers in the U.K. and overseas. Exports account for over 60% of the Company's total sales.

We now require a Commercial Manager, reporting to the Managing Director, to control contracts from the initial establishment of financial terms, right through customer liaison to final cash collection.

The man or woman appointed is likely to have a background in international contract administration and credit management. Familiarity with electrical engineering would be an advantage.

A generous salary and benefit package (including company car and relocation expenses where necessary) will be offered.

Applications in writing, giving full career details, should be sent to the Managing Director, Emerson Electric Industrial Controls Ltd, Elgin Drive, Swindon SN2 6DX.

LOUIS BERGER INTERNATIONAL INC.
INTERNATIONAL CONSULTING COMPANY
seeks

senior transport economist

with 7 years experience minimum

To strengthen its Transport Studies Department.

Candidates must possess a good knowledge and one or more solid references of studies related to transport planning and organisation at the national and regional levels; preferably in a developing country.

Fluency in French is required.

The candidate's first long term assigment is expected to be in French speaking Africa.

Interested applicants are requested to send very detailed resumes and desired remuneration to the attention of Nathalie Barrault,

LOUIS BERGER SARL
71 rue Fondary, 75015 Paris.

GENERAL MANAGER

(SALARY + PROFIT SHARE)

Wanted for recently acquired leather goods factory in south-west, manufacturing goods of the highest quality. Turnover £0.25m., currently breaking even, *with growth possibilities U.K. and export.* Challenging opportunity for individual enterprise. Specific education, age or experience not required. Applicants selected for interview will be notified within 14 days. *Detail C.V.S. to:*
Box A.6638, Financial Times, 10, Cannon Street, EC4P 4BY.

Recruitment Consultancy

DIRECTOR DESIGNATE

As a small 2½ year old company trading as 3 specialist consultancies we seek an ambitious person 26-32 to take over responsibility for our established name for Executive Recruitment in the City. If you are keen to utilise your City knowledge and run your own enterprise for excellent profit related remuneration please contact the M.D. on 01-499-6468, or write to 32 Addiscombe Road, London, SW6.

Expanding Stockbrokers

In London Wall have vacancies in their general office for clerks *with some S.E. office experience,* age 17-20, they also have a vacancy for persons with Arbitrage/Foreign settlement experience, age 20+, salaries for both positions are negotiable and are plus the usual fringe benefits.

Write giving age and experience to: Box A.6637, Financial Times, 10, Cannon Street, EC4P 4BY, or Phone 628 5788 for an appointment.

COMPUTER AUDITOR

Major International Bank currently expanding its audit operations in the UK seeks to appoint an additional computer auditor to its small computer audit section, whose responsibilities include the *review of projects under development* and the formal audit of data centres.

The ideal applicant will have experience of IBM installations in a banking environment as a computer auditor, although an analyst without audit experience would be considered. The remuneration package is in the region of £7,500 p.a., plus generous fringe benefits.

Applications will be treated in confidence and should be submitted in writing, *giving full details of experience and* qualifications, to Box A.6641, Financial Times, 10, Cannon Street EC4P 4BY.

Financial Management

"We have established our place as one of the top 100 UK public companies. Today all our divisions are substantial, the quality of our earnings good, our people first class and our balance sheet strong. We continue to plan for growth and work hard to achieve it. We will continue to expand into additional areas of the leisure and service industries."

Cyril Stein, Chairman, Ladbroke Group Ltd.

Financial Director (Designate)

This appointment which will rapidly lead to a place on the Divisional Board, is in one of our fastest-growing divisions. It currently operates 27 hotels and motor inns, runs 15 holiday centres, and provides boat-hire facilities in the UK and the Continent.

You will be based at Watford and will be responsible for the whole of the financial services, with particular emphasis on controls systems, design and improvements of business planning.

A leading role will be played in the establishment of many computer systems.

Initial salary: c. £13,500.

Ladbroke Hotels and Holidays

Financial Director (Designate)

This position which has arisen through the promotion of the existing Financial Director, is in the largest division of the Group, employing some 7,000 people and operating nearly 1,000 licensed betting offices throughout England and Scotland.

You will be based at Harrow and will have full responsibility for providing financial services, utilising and developing DP-based systems. On appointment to the Divisional Board, there will be every opportunity to play a major role in the wider aspects of policy-making within the Division.

Initial salary: c. £13,500.

Ladbroke Racing

The successful applicants for both of the above positions will be qualified accountants, between 30 and 40, able to demonstrate a successful career progression to the status of Financial Controller or Director in a manufacturing or service company. Experience of DP-based accounting systems will be an advantage.

Financial Controller

An opportunity to join the team at the London, Neasden Headquarters which is developing the Group's Leasing activities, which have recently been expanded to include motor leasing.

This position calls for a Financial Controller able to take responsibility for providing a full financial accounting service to the operational management, including advice on business profitability, profit and capital expenditure plans and funding requirements. He will also be involved in financial and accounting services relating to the total Group.

The successful candidate will be a qualified accountant with good commercial experience, preferably involving leasing transactions.

Initial salary: c. £10,000.

All positions offer first-rate working conditions and benefits which include a company car, exceptionally good pension and insurance schemes and growth prospects are excellent.

Please write in confidence to: Dick Goulding, Ladbroke Group Limited, Chancel House, Neasden Lane, London NW10 2XE.

Ladbroke Group Limited

Leaders in Leisure

FREE LANCE CONSULTANTS WANTED

by major international group for assignments in the UK. Wide range of management subjects. Duration 3-12 months. Willingness to work away from home. Please supply C.V. and details of availability. Attractive fees.

Write initially:
Ref. AW 193,
Robert Marshall Advertising Ltd.,
30 Wellington Street,
London WC2E 7BD.

CORPORATE/GOVERNMENT FINANCE: EUROBONDS

Major French bank, number one in several sectors of Eurobond market, seeks outstanding candidate for work on: (1) propositions to corporate and government clients worldwide; (2) financial mathematics; (3) organisation of issues lead managed by the bank; (4) day-by-day monitoring of developments on international financial markets.

Candidate must have intellectual confidence, necessary mathematical ability, flexibility. English mother tongue (basic competence in French) and either financial experience or relevant qualification. Age 25-35.

Candidate will be given first class experience, career opportunities within the bank and salary fully in line with French standards (location Paris).

Handwritten letter and curriculum vitae to Box A.6643, Financial Times, 10 Cannon Street, EC4P 4BY.

Botswana

Taxation Specialist

Up to £10,820 plus allowances

The Ministry of Finance and Development Planning requires a taxation specialist who will be directly responsible to the Director of Financial Affairs for duties including: — research and advice on special taxation arrangements related to economic development, providing recommendations on both existing and new tax legislation, and drafting Cabinet Memoranda, Notices and Motions for the National Assembly and Ministers' speeches on taxation affairs.

Candidates must be qualified Senior Inspectors of Taxes with a degree in law or economics.

Salary includes a substantial tax-free allowance paid under Britain's overseas aid programme. Basic salary attracts 25% tax-free gratuity.

Benefits include free passages, generous paid leave, children's holiday visit passages and education allowances, appointment grant and interest-free car loan.

The terms on which civil and public servants may be released if selected for appointment will be subject to agreement with their present employers.

For full details and application form write quoting MC/790114/FF.

Crown Agents

The Crown Agents for Oversea Governments and Administrations, Recruitment Division, 4 Millbank, London SW1P 3JD.

Financial Accountant

£7,000 + **Uxbridge**

Rank Xerox require a Qualified Accountant preferably with commercial or industrial experience to join a small, highly professional team of Financial Accountants based at the UK Headquarters in Uxbridge.

The person appointed will be involved in all aspects of financial accounting namely – the production of accounts; review and control of multi-million pound cost and revenue budgets; profit control; appraisal of performance and production of operating statements. He/She will also be expected to create and maintain effective communications with line and functional management throughout the organisation.

We shall be looking for someone aged 24-30 with the ability to deal with the financial aspects relating to a multiplicity of business problems and with the personality and confidence to explain and promote ideas. The ideal person will possess an eye for detail, enthusiasm and the drive and capacity to rise to a more senior position.

We offer a salary around £7,000 with the wide range of big company benefits expected from a major international organisation.

To apply please contact David Simpson, Senior Personnel Officer, Rank Xerox (UK) Ltd., North Orbital Road, Denham, Bucks. Tel: 01-332 2355.

RANK XEROX

International Auditors

AMERICAN EXPRESS

American Express require Auditors to join a professional Internal Audit Department.

The positions require experience in the Internal Audit Department of a large commercial organisation, or in a professional practice on the audit of the accounts of multinational clients. Candidates should be Certified or Chartered Accountants or Certified Internal Auditors (by examination) preferably with a university degree.

The company offers competitive salaries and first class fringe benefits. The position is based in the UK but applicants must be prepared to spend up to 80% of their time on audits throughout Europe, Middle East and Africa.

Applicants ideally aged between 25-35, should write giving details of career to date to:- Mr. G. R. Brown, American Express IBC, Amex House, Edward Street, Brighton, BN2 2LP.

Ashbrittle Limited
International Recruitment Consultants

COMPANY ACCOUNTANT

Up to £11,000 p.a. Tax-Free + Bonus

Saudi Arabia

* To join the established management team of a successful Saudi/Spanish building construction company based in Jeddah.

* The requirement is for an experienced Accountant, preferably Spanish speaking, with a thorough knowledge of both cost and managerial accounting procedures.

* The appointment is bachelor status initially with free accommodation, messing, company car and medical insurance. Where appropriate, family housing and air fares will be provided after a six months probationary period. A bonus will be paid on completion of 12 months service.

* Please telephone T. Jefferies for a preliminary discussion or write in complete confidence to the address below.

Ashbrittle Limited, Seabrook House, Wyllyotts Manor, Darkes Lane, Potters Bar, Herts. Tel: Potters Bar (STD 0707) 42406

Top Executives

MINSTER EXECUTIVE exists to help senior people solve their career problems.

THE MINSTER professional and individual approach has achieved outstanding results.

We invite you to come and see why our clients have been so successful.

For a preliminary discussion, ring or write to us at :-

MINSTER EXECUTIVE LIMITED
115 Mount Street, London W1Y 5HD, 01-493 1309/1085.

ICI Imperial Chemical Industries Limited

INVESTMENT ANALYST

The Investments Department of ICI, which manages the assets of the pension funds of ICI's 95,000 UK employees, has a vacancy for an investment analyst to work in its small team. Applicants should be in their 20s and possess a degree in the general field of finance or economics and/or a professional qualification in a similar field. The ideal candidate will be interested in the analysis of UK equity shares, particularly those in the consumer sector, and in supervising the investments of one or more small funds.

Please apply in writing or telephone for an application form to:—

MRS. D. K. HUDDART
IMPERIAL CHEMICAL HOUSE
MILLBANK LONDON SW1P 3JF
01-834 4444

DIVIDEND CLERK

Age 23+ dealing with both foreign and U.K. dividends. Salary to £4,500 a.a.e. plus L.V.s and bonus.

STOCK EXCHANGE CLERK

Age 20+ to cover cashiering and country brokers ledgers. Stock Exchange experience is essential but not necessarily within the above field. Salary £3,500-£4,000 a.a.e. plus L.V.s and bonus.

Please contact Mrs. P. Dudley or Miss G. Goode 01-628 0985

EVANS EMPLOYMENT AGENCY
15 Copthall Avenue, EC2.

Trainee Investment Analyst

Up to £4017 pa

The Electricity Council is the central co-ordinating body of the electricity supply industry in England and Wales.

We are looking for a young man or woman to train as a junior analyst, in the Investments Branch, which manages pension funds covering more than 165,000 employees within the industry. The current value of the assets under supervision is around £1,000 million, and the Funds are continuing to expand. The assets comprise fixed interest investments, ordinary stocks and shares and property, both within the UK and overseas.

You would be joining a small team monitoring stock exchange investments. A relevent degree, preferably with an economic bias, plus some knowledge or experience of banking and accountancy will be an advantage. You should have a genuine interest in, and understanding of, the workings of the economy and the role of the Stock Exchange.

Please write giving details of age, qualifications and experience quoting ref FT/229 to :—

Duncan Ross
Recruitment & Development Officer
The Electricity Council
30 Millbank, London SW1P 4RD

ELECTRICITY COUNCIL

Financial Controls Officer - Middle East

COMPANY
Our client, a government agency of a large Arab oil-producing state, extends long-term finance at low interest to assist development within the private sector of the country.

RESPONSIBILITIES
Based in a Middle Eastern capital, our candidate will be responsible for coordinating and managing internal controls for a sizeable and growing loan portfolio, will assist in preparing the budget, monitor computerized accounting systems and will be involved in the audit process. Advancement to Financial Controller is likely.

QUALIFICATIONS
A C.P.A. or Chartered Accountant employed or recently employed in a banking, leasing or an insurance company, our candidate will have accounting experience related to lending. Aged twenty-eight to thirty-five, he may be married and is likely to be American or English. A working knowledge of Arabic is desirable but not essential.

COMPENSATION
Furnished housing, medical and life insurance, annual home leave, education allowances, and end-of-service bonus are in addition to an outstanding tax free basic salary.

For further information please write enclosing full details of career background to:–
Box 2251, Gould & Portmans Ltd,
55/57 High Holborn, London WC1V 6DX.

Young Bankers

TO TRAVEL WORLDWIDE
AIB **21+**

We now need 6 more banking professionals who are AIBs to join us as Banking Consultants in the rapidly expanding field of computing. Enjoying comprehensive training and outstanding career prospects, you'll use your banking knowledge in depth to advise on the design/modification of computer systems for customers worldwide.

With offices in London, New York, Hong Kong, Luxembourg and plans to open further premises in Europe and the Far East — we're offering you a unique opportunity to capitalise on your banking experience by following a structured career path leading to the highest levels of management.

BIS Software Limited is a fast-growing company specialising in the design, development and implementation of advanced DP systems. Operating internationally in the banking markets, we have successfully installed over 43 systems in 51 locations.

We offer top salaries and a range of generous benefits, including a profit-linked bonus scheme, pension/insurance/sickness schemes, over 4 weeks holiday, season ticket loans etc.

Contact Jim Hewitt on 01-928 9511 or send him a brief CV.

BIS Software
York House, 199 Westminster Bridge Road
London SE1 7UT
Telephone 01-928 9511

BIS Software

MSMS INVESTMENT MANAGERS

A major and old established UK Life Assurance Company wishes to appoint two FUND MANAGERS. Candidates must have relevant experience in the management of quoted equity funds. Professional versatility and adaptability in handling a mixture of funds is looked for. There is a need to be able to work as a team member.

Age range 30-40. Salary indicator £10,000 but a higher figure could be negotiated in special circumstances. In addition there are excellent fringe benefits which include cheap mortgage facilities.

The company offers ample scope for personal advancement.

Location: London.

Send brief personal history to:

Peter K. Marlow

MSMS INTERNATIONAL LIMITED
Executive Recruitment Advisers
115 Mount Street, London W1Y 5HD Tel: 01-493 6807

Financial Journalist

(MID-20'S)
REQUIRED AS

STAFF WRITER/NEWS

c. £4,500

A leading accountancy journal is seeking a young financial journalist with a minimum of 2/3 years experience to specialise in writing on accountancy and financial subjects for a professional journal.

Applicants need not be qualified in accountancy but must be able to communicate at all levels, dig out the facts and put together readable, factually accurate stories.

Please send brief details of your experience and career to date, in strict confidence, to:

Box FT/560, c/o Hanway House, Clark's Place, Bishopsgate, London, EC2N 4BJ.

SPENCER THORNTON & CO.

SALES & RESEARCH EXECUTIVES

We are a medium sized firm of Stockbrokers with specialist research coverage in the electrical/electronic/engineering sectors of the market and have need of additional Executives to expand our services to our UK and European clients in the following departments:

UK Institutional Sales
UK Investment Research
European Institutional Sales

Whilst preference will be given to experienced personnel, younger applicants wishing to further their careers will also be considered. A knowledge of French and/or German is desirable for the European vacancy.

Please write in the first instance with full career details to:
R. J. FRAKE ESQ., WARNFORD COURT
29 THROGMORTON STREET, LONDON EC2N 2JU

KUWAIT

SENIOR ACCOUNTANT

Due to continued expansion, our client, a Kuwaiti International Consulting Engineer's office has to review its accounting services. To do this they require a mature all-round man with a strong patient character to revise, introduce and manage the necessary manual systems and controls. Benefits include a one-year renewable contract, free accommodation, air fares, plus a high negotiable tax-free salary.

Please contact J. Farrington in the first instance at
HALLA MANAGEMENT CONSULTANTS,
1, Devonshire Street,
London, W1N 1FX.
Tel: 01-635 5391

ABU DHABI INVESTMENT AUTHORITY

The Bond and Equity Department requires:

INVESTMENT MANAGERS

Candidates should have several years experience of managing a discretionary portfolio of Equities and Fixed Interest investments in either North American, European or Far Eastern markets. Ref.: 957/FT.

INVESTMENT AND CREDIT ANALYSTS

Candidates should have received a thorough training and some practical experience in analyses of securities in the markets mentioned above. Ref. 958/FT.

Ideal candidates will be in their late twenties or thirties and must be prepared to spend five years or longer living in Abu Dhabi. Free accommodation, car or transport allowance and free medical facilities will be provided. Salary is free of tax in Abu Dhabi.

Please write or telephone for an application form quoting the particular reference number to:

W. L. Tait,
Touche Ross & Co.,
Management Consultants,
4 London Wall Buildings,
London, EC2M 5UJ.
Tel: 01-588 6644.

Chief Accountant

CONSTRUCTION INDUSTRY

Northern Home Counties to £10,000 + car

Following a restructuring of one of the leading organisations in the construction industry, an exceptional opportunity has arisen for the newly created post of chief accountant of its main subsidiary company.

Reporting to the financial director, the successful candidate will be responsible for the entire *financial and management accounting functions*, which utilise on line data processing systems, in *addition to the management of a large staff*.

Candidates, aged 30 to 40, should be chartered, cost and management or certified accountants with experience in a company that has moved fast in implementing computer systems. They should have had several years' senior management accounting experience in construction or engineering industries, and must possess the personality and character to develop good working relationships throughout the organisation.

Write in confidence, providing outline details of relevant background and experience, quoting reference 1848/L, to D. I. Grant,

Peat, Marwick, Mitchell & Co.,
Management Consultants,
Executive Selection Division,
165 Queen Victoria Street,
Blackfriars, London, EC4V 3PD.

VARIETY IN A MERCHANT BANK

One of the oldest city Merchant Banks seeks another person for the accounts section of its TRUSTEE DEPARTMENT to carry out the accounting and book-keeping requirement, and prepare annual sets of accounts for trusts and charities. The keynote of this job is variety as you would become involved in Capital Gains Tax, Income Tax, V.A.T. and many other banking/financial matters including some elementary Data processing.

Ideal candidates will have good accounting experience (possibly having studied towards ACCA), some knowledge of trust administration and experience of C.G.T. Hopefully you are also familiar with banking procedures, but above all you are a competent, hard worker and wish to broaden your experience by moving into a position where there is plenty to learn and a good deal to stretch you.

If you correspond with the above and are aged around 30 all the usual banking benefits could be yours in addition to a salary of c.£5,000 a.a.e. So why not phone or write to Mrs. A.S. Jones, Cripps, Sears & Assoc., Burne House, 88/89 High Holborn, London WC1. 01-404 5701.

Cripps, Sears

Money Management Journalist

Money Management, a Financial Times publication, requires a journalist to write for this monthly magazine and its companion year books. A knowledge of insurance and personal finance would be a distinct advantage.

The successful applicant should be able to demonstrate from recent experience that he or she has the self-confidence and ability to work with the minimum of supervision.

Full details of your experience should be sent to:—

The Editor,
MONEY MANAGEMENT,
Greystoke Place, Fetter Lane,
London EC4A 1ND.

Financial Director Designate

A new energetic international group seeks a mature and experienced accountant who wishes to join a small but dynamic team responsible for the running of U.K. trading operations. The appointment reporting to local Managing Director and Group Financial Director involves responsibility for all financial and administrative matters, with particular emphasis on periodic reporting together with treasury management and general financial planning.

Candidates, male or female, probably 35-45, must be Chartered Accountants with a record of successful achievement in the field of financial management and control and an awareness of the commercial approach necessary for the profitable operation of a multinational trading house.

An attractive remuneration package including company car will be available to the right candidate.

Applicants should write with full curriculum vitae to:
Group Financial Director, Box F.1095, Financial Times, 10, Cannon Street, EC4P 4BY.

Bank Inspector/ Internal Controller

Saudi Arabia

Albank Alsaudi Alhollandi, a Saudi-Dutch Banking Corporation established in 1977, with which the Algemene Bank Nederland N.V., with its Head Office in Amsterdam has a technical management agreement, wishes to appoint a person to be responsible to the Managing Director for the internal control and inspection of its Branches in Saudi Arabia. The appointment is for a period of 3-5 years with the possibility of extension. Initially the base will be in Jeddah but extensive travel within the Kingdom will be involved. Candidates should have had considerable banking experience, preferably with an international Bank and be fully conversant with banking procedures.

An attractive salary commensurate with experience will be paid tax-free in Saudi Arabia. Free accommodation, with basic furnishings, plus usual benefits will be provided plus general annual leave to Europe with economy air fares for the officer and his family.

Written applications please accompanied by a detailed curriculum vitae, should be addressed to:

P. B. Renk, Personnel Manager,
Algemene Bank Nederland N.V.,
61, Threadneedle Street, London EC2P 2HH.

INTERNATIONAL CORPORATE FINANCE

First International Bancshares Limited, the London-based merchant banking subsidiary of Texas' largest banking group, is looking for a senior executive to join its corporate finance team based in London.

The ideal candidate will have a proven track record in generating fee income from corporate finance transactions. While he will probably have had at least three years experience with another financial institution in the corporate finance sector, what is of greatest interest is a demonstrated record of achievement as well as qualities of initiative, judgement and ability to deal effectively with customers.

Of particular interest will be candidates with expertise and experience in private placement finance, the transportation sector, or the development of international corporate finance business in the American Southwest.

The successful candidate will be joining a rapidly growing organisation where he will have maximum opportunity for developing his career potential. The remuneration will be attractive.

Please forward your curriculum vitae in confidence to Frank E DuBose, Executive Director, First International Bancshares Limited, 16 St. Helen's Place, London EC3A 6BY.

Edward Symmons & Partners

Consultant Surveyors, Valuers & Auctioneers

require a

MANAGER for PARTNER

(Male/Female)

Qualifications an advantage but not essential. Experience in Sales and Valuations. This is a challenging position offering fine career prospects.

Attractive salary plus car allowance, pension fund, life assurance, sickness benefit scheme, etc.

Write, in confidence to: A. J. Roles, Edward Symmons & Partners, 56/62 Wilton Road, London SW1V 1DH

ANALYST—

Food Manufacturing

A leading firm of London stockbrokers requires an investment analyst for the food manufacturing sector. Although the ideal candidate will have been involved in the sector for around two years, the position could also be attractive to individuals working in another sector and wishing to change or to those with general investment experience and now seeking to specialise.

The successful candidate will have considerable freedom to develop his/her own style and ideas and every encouragement will be given to establishing strong contacts with the major companies in the sector.

Write Box A.6640, Financial Times, 10, Cannon Street, EC4P 4BY.

Sales Manager

£10,000 Plus Car

A Company planning major expansion in UK this year offers a Sales Manager with marketing flair an opportunity to advance his/her career.

Reporting to the MD, his/her position is to motivate and increase the sales force and make a significant contribution to new product development.

Rewards include private patient and pension plans, life insurance and excellent promotion prospects.

For early interview telephone 01-405 0654 quoting Ref: RB/244.

Drake Senior Appointments

121 Kingsway
London WC2

YOUNG ACCOUNTANT/ BUSINESS GRADUATE

London c. £7,500

A new appointment as

TREASURY MANAGER

for a UK Public Group manufacturing and marketing specialist products for industry. The Group has subsidiary and associated companies in over 25 countries and world sales of £200 million.

Your role within the expanding Treasury function will cover exchange control and related legislation and the financing of the Group's expansion.

An attractive range of benefits is provided including a non-contributory pension scheme and excellent career development prospects.

call
Robert Miles.
01-248 6321

Personnel Resources Limited
Recruitment Consultants

THE IRISH PRESS GROUP DUBLIN

has a vacancy for a

FINANCIAL JOURNALIST

The successful applicant will join the small team providing business news, company reports and economic data for the three papers in the group. He or she will have the ability to analyse financial reports, to initiate stories and to become conversant with all aspects of Irish business and commerce.

The position would suit a person who has had experience of financial reporting in a publishing concern or an enterprising graduate who has special talent in this area.

Salary will be in accord with a newly-revised house agreement. It will be in the £5,000 to £9,000 range, the higher scales being applicable to those with proven experience.

Applicants should, in the first instance, apply for an application form from the Personnel Manager, Irish Press Ltd., Burgh Quay, Dublin 2. Completed application forms, with samples of published work if available, should be returned to the Personnel Manager on or before Friday, February 16, 1979.

LEGAL NOTICES

No. 00943 of 1979

In the HIGH COURT OF JUSTICE (Chancery Division) Companies Court. In the Matter of ESSEX APPOINTMENTS LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the winding-up of the above-named Company by the High Court of Justice was, on the 1st day of February 1979, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41 Mark Lane, London EC3R 7HE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 5th day of March 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

G. F. GLOAK,
King's Beam House,
39-41, Mark Lane,
London, EC3R 7HE,
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any), and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 2nd day of March 1979.

No. 00354 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of EARLEY & EARLEY LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 2nd day of February 1979, presented to the said Court by READY MIXED CONCRETE (SOUTH EAST) LIMITED whose registered office is at RMC House, 53/55 High Street, Feltham, Middlesex, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 5th day of March 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

YOUNG JONES HAIR & CO.,
2 Suffolk Lane,
Cannon Street,
London, EC4R 0AU.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 2nd day of March, 1979.

A major International Company in the fast moving consumer goods industry requires a MARKETING MANAGER

(North Africa and Middle East)

This is an exciting opportunity coming at a time of expansion of our client's already major activities in the area offering wide scope for a man who combines marketing experience with strong entrepreneurial and negotiating skills—linguistic ability is a distinct advantage.

Responsibility is for the total marketing activity of the company's wide range of fast moving products throughout North Africa, Egypt, the Middle East, Turkey and Greece. The prime task is developing sales and distribution through agencies, wholesale and retail outlets. A strong strategic network of manufacturing agencies backs up the main group production, providing excellent product availability throughout the area.

A PROVEN record of success in consumer sales/marketing and a knowledge of local marketing methods are essential. Extensive travel is involved enabling flexibility of base location. There are very attractive fringe benfits and substantial bonus based on performance. My client wishes to make an early appointment.

Age 30-40 **Salary: Circa US$ 30,000**

Please contact me with relevant details as soon as possible quoting MMF.

Robin R Whalley

INTERNATIONAL APPOINTMENTS (LONDON) LTD

(Executive Recruitment Consultants) *Telephone: 01-839 1602/4*
66 68 Haymarket, London SW1 *Cables: Interappt. London*

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To £7,000 + benefits

24-28 grad. with investment research exp. and appreciation of F.E. markets to assist Fund Manager in well known institution.

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To £10,000 + bonus

26-30 grad. with investment research and/or sales exp. plus the qualities to become a partner on equity desk of reputable firm of stockbrokers.

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£7,000-£12,000

At present a number of our reputable stockbroking clients seek experienced analysts 25-35 with proven track records to take over responsibility for or assist in the development of coverage of such sectors as mining, building, oils, engineering, pharmaceuticals ... or to become involved in fund management with well known institutions. If you are seeking advancement let us know in absolute confidence of your expectations.

Stephens Selection
35 Dover Street, London W1X 3RA.
01-493 0617
Recruitment Consultants

SOLICITOR or BARRISTER

c. £10,000

A Jersey firm of advocates and solicitors require a young solicitor or barrister with company and commercial experience to be involved in work of a varied and interesting nature including the formation of unit trusts.

The successful applicant will be eligible under Jersey Housing Regulations to occupy appropriate accommodation.

Please write with full details including c.v. to
ADVOCATE M. M. G. VOISIN
MICHAEL VOISIN & CO.
P.O. BOX 31
TEMPLAR HOUSE, DON ROAD
ST. HELIER, JERSEY, C.I.

WANTED

EXECUTIVE

Economic and International Law Degrees; German, English, French. Experience in International Business. Corporation Administration, Project Management, Consultant in Economic and Legal matters, will prepare proposals and negotiate Contracts and Bids, seeks connections with Internationally Oriented firms.
Office in Downtown Munich with Telex [illegible]

SECRETARIAL APPOINTMENTS

PA/Secretary to £5000

The Investment Director of a large British manufacturing concern based in the City needs you if you have the ability to get into the right place at the right time with the right bits of paper. Good appearance is also essential as you will be meeting his clients. Combine all this with excellent secretarial skills and this top salary could be yours.

Ring Emily Anson

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YOUNG MAN, twenty-five years old, four years in hotel and catering, three years Stock Exchange, requires position as financial director, or directorship. Write Box A.6635, Financial Times, 10, Cannon Street, EC4P 4BY.

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CRANE KALMAN GALLERY, 178 Brompton Road, S.W.3. 01-584 7566. 20th CENTURY ENGLISH AND EUROPEAN PAINTINGS AND SCULPTURE including works by Dufy, Grosz, Hepworth, Miro, Moore, Nicholson, van Dongen, etc. Until 20 February. Mon.-Fri. 10-6. Sats. 10-4.

FIELDBORNE GALLERIES, 63, Queens Grove, N.W.8. Telephone 01-586 3600. CONTEMPORARY BRITISH ART. Mon.-Fri. 10-6. Sat. 12.30-3 p.m.

FINE ART SOCIETY, 148, New Bond St., W.1. 01-629 5116. BRITISH ARTS 18th 20th Century.

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LUMLEY CAZALET, 24, Davies St., W.1. 01-499 5058. 20th CENTURY ORIGINAL PRINTS — Matisse, Picasso, Miro, Renoir, etc.

MALL GALLERIES, The Mall, S.W.1. Paintings by Sylvia Tempes. Mon.-Fri. 10-5. Sats. 10-1. Until 17 February. Adm. Free.

MARLBOROUGH, 6, Albemarle St., W.1. TOM PHILLIPS Paintings, Watercolours and Drawings. Mon.-Fri. 10-5.30. Sat. 10-12.30.

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Annual Report available on request.

CONTRACTS AND TENDERS

REPUBLIC OF GABON

Office des Postes et Telecommunications

The Board of the OFFICE DES POSTES ET TELECOMMUNICATIONS of the Republic of Gabon wishes to inform firms and companies in Gabon as well as member countries of the European Economic Community that a tender is launched for the supply and installation of an entirely automatic mobile radio-telephone system for public use.

Specifications may be obtained from: La Direction Général de l'Office des Postes et Télécommunications Libreville - GABON -

Tenders should be sent to the above address not later than mid-day 18th April, 1979.

COMPANY NOTICES

WOODSIDE PETROLEUM LTD

151 FLINDERS ST.,
MELBOURNE, 3000,
AUSTRALIA.

NOTICE IS HEREBY GIVEN that the register of members will close at 5 p.m. on 16th February, 1979, to determine entitlements to an issue of 80,000,000 ordinary 50 cent shares at par.

By order of the Board
L. L. YOUREN
Secretary

ANGOSTURA BITTERS (DR. J. G. B. SIEGERT & SONS) LIMITED (INCORPORATED IN TRINIDAD, W.I.)

NOTICE IS HEREBY GIVEN that the Board of Directors have decided to recommend to the stockholders at the Annual General Meeting to be held on 8th February 1979 next, the Declaration of a Final Dividend of 16 cents per unit of Ordinary Stock, making a total of 28 cents for the year. Audited Consolidated figures for 12 months ended 30th September last Sales T.T. $57,643,185. Net Profit before taxation T.T. $9,093,548 after taxation T.T. $5,166,633, compared with figures for 12 months to 30th September of the previous year Sales T.T. $50,866,949 Net Profit before taxation T.T. $9,170,122 after taxation T.T. $4,193,780. Dividend Warrants will be posted in Trinidad on or about 8th February 1979. The Transfer Books will be closed from 1st February 1979 to 8th February 1979 both days inclusive.

A. J. HEDGER,
Transfer Officer.
Canadian Imperial Bank of Commerce,
2, Lombard Street,
London, EC3P 3EU.

OFFICIAL NOTICE

The loss has been reported to us of the following London Metal Exchange Warrant, and we have been requested to issue a duplicate Warrant.

Warrant No: 193632—1284 Zinc Ingots Brand: K.M. Weight: 24,540 Metric Tons.

Anyone claiming to be entitled to these goods is invited to enter protest by means of Summons against the delivery of the goods or the issue of a duplicate Warrant.

C. STEINWEG, N.V.
P.O. Box 1068,
Willemskade 20,
Rotterdam, 2,
Netherlands.

INTERFRIGO
Société Ferroviaire Internationale de Transports Frigorifiques
Registered Office: 17, rue de Louvain, Brussels, Belgium
INTERNATIONAL BOND ISSUE
7.50% 1971-1986 of 10,000,000 European Currency Units

We inform the bondholders that a drawing for a nominal amount of 500,000 European Currency Units was made on the 22nd January 1979 in respect of the amortisation due on the 12th March 1979. The numbers of the 500 bonds drawn on this occasion fall within the following group of numbers:

4,274 to 4,917.

The other numbers in this group refer to bonds already purchased on the market.

The drawn bonds—coupon No. 9 (12th March 1980) and subsequent coupons attached—will be redeemed at par from the 12th March 1979 onwards. The bonds should be presented to any of the under-mentioned Paying Agents, who will effect payment free of charge:
—CREDIT COMMERCIAL DE FRANCE, Paris.
—BANCA NAZIONALE DEL LAVORO, Rome.
—DEUTSCHE BANK AKTIENGESELLSCHAFT, Frankfurt.
—KREDIETBANK S.A. LUXEMBOURGEOISE, Luxembourg.

Amount of bonds remaining in circulation following the amortisation of the 12th March 1979
—7,000,000 European Currency Units.

CREDIT COMMERCIAL DE FRANCE, Paris.
Financial Agent to the Company

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	Per line £	Single column cm. £
Commercial & Industrial Property	5.50	18.00
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Gresham Trust Ltd., Barrington House, Gresham Street, London EC2V 7HE Tel: 01-606 6474

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WHO WISH TO RUN THEIR OWN AGENCY
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FINANCIAL TIMES
10 CANNON ST EC4P 4BY

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Telephone 01-558 1282.
Telex 898167.

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Details from Chairman, Box G.3342, Financial Times, 10, Cannon Street, EC4P 4BY.

NORTH SHROPSHIRE

Assets of a timber sawmill machinery sales organisation for sale as a going concern. Modern factory premises with long leasehold for sale.

Further details apply Box G.3346, Financial Times, 10, Cannon Street, EC4P 4BY.

NORTH SHROPSHIRE

Assets of forklift truck sales and hire fleet for sale as a going concern. Modern workshops and large yard area, skilled labour force. Property for sale or lease.

Further details apply Box G.3347, Financial Times, 10, Cannon Street, EC4P 4BY.

FOR SALE PLANT HIRE COMPANY

Operated plant, large site, modern workshops and offices. Turnover £200,000. Pre-tax profits £18,000. Net assets including value of plant & buildings approximately £85,000. Good Management. Situated East Midlands.

DIVERCO LIMITED, 4 Bank Street, Worcester (0905) 22303

BUSINESSES WANTED

OFFER TO ACQUIRE

Public Company wishes to acquire for cash successful business showing consistent profitability engaged particularly in the Wholesale/Retail Trade. Write Box G.3311, Financial Times, 10, Cannon Street, EC4P 4BY.

TIMBER IMPORTER/MERCHANT

Substantial company wishes to acquire timber importing/merchant business with general milling facilities and a turnover in excess of £1 million p.a. All replies treated in strictest confidence.

Write Box G.3334, Financial Times, 10, Cannon Street, EC4P 4BY.

QUOTED COMPANY SEEKS TO ACQUIRE

A healthy company engaged in one of the following areas:—

(i)
LLOYDS INSURANCE BROKING
(ii)
EDUCATIONAL PUBLISHING
(iii)
SPECIALIST EMPLOYMENT AGENCY

It is expected that the company to be acquired will merit a price in the region of £1 million.

Write Box G.3326, Financial Times, 10, Cannon Street, EC4P 4BY.

CONSTRUCTION COMPANIES

Established Public Company interested in acquiring small and medium-sized construction companies preferably based in the Midlands.

Excellent opportunity for companies to share in and benefit from a progressive group environment.

Please write in strict confidence to Box G.3339, Financial Times, 10, Cannon Street, EC4P 4BY.

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Garment Manufacturing, Wholesaling or associated trade. All propositions considered. £250,000. Immediately available.

Write Box G.3329, Financial Times, 10, Cannon Street, EC4P 4BY.

CLIENT INTERESTED IN ACQUIRING HAULAGE COMPANY

Annual turnover £500,000. Well established profitable business. Type of vehicle mainly 32-ton articulated equipment. Nature of traffic, long distance haulage. Location, South Lancs. and Greater Manchester. Easily accessible to motorway system. Reply in confidence to Box G.3294, Financial Times, 10, Cannon Street, EC4P 4BY.

WANTED Plant Hire Company with tax losses in excess of £80,000. Write Box G.3277, Financial Times, 10, Cannon Street, EC4P 4BY.

LOMBARD

Socialism and world poverty

BY GEOFFREY OWEN

MANY dyed-in-the-wool Labour Party supporters have an instinctive dislike of markets. They can be relied upon to support proposals to take this company or that industry into public ownership: nationalisation, almost by definition, is assumed to produce a fairer result than the unrestricted operation of market forces, which are believed to make the rich richer and the poor poorer.

A very similar attitude is evident among many political leaders in the developing countries. They, too, have a profound distrust for market forces, both in the domestic economy and in foreign trade. Several of their proposals for a new international economic order (NIEO) involve the replacement of markets with man-made controls and institutions.

Exploitation

As Depak Lal shows in an admirable pamphlet* just published by the Fabian Society, they ignore the evidence that the operation of free trade in the period between 1950 and 1975 produced an unprecedented improvement in living standards in the Third World, and that those few developing countries whose policies were framed to take advantage of what Lal calls the liberal international economic order (LIEO), such as Korea, Mexico, Taiwan and Brazil, have benefited handsomely from it.

Not surprisingly, progressive Left-wing thinkers in the developed countries, who in any case feel guilty about past exploitation of the Third World, are attracted to the idea of reforming the world trading system along the lines of the NIEO. Their dislike for markets and their desire to do right by the poorest countries of the world fit neatly together. Throw in a shared distrust for the multinational corporation and you have a powerful lobby working to undermine the liberal trading system.

Lal points out that developing countries have the mistaken idea that international trade, instead of conferring mutual benefits on all trading partners, is a zero sum game in which the rich gain at the expense of the poor. Their attitudes have been conditioned to some extent by the long depression in tropical products between the wars.

"The myth of a secular tendency for the terms of trade of primary producers to decline," writes Lal, "though not substantiated by either the facts or theory, was probably fed by this historical memory."

In domestic policy they tend to rely on bureaucratic direction rather than the price mechanism. This, Lal suggests, is partly because of the bureaucratic colonial tradition which was inherited and adopted by the new rulers of the Third World. On top of that, they were attracted by the intellectual arguments against laissez-faire and impressed by the Soviet Union's example of transformation from poor undeveloped country to great industrial power within a generation.

Experience shows that the bureaucratic allocation of resources usually makes for a worse economic performance than even an imperfect market economy; yet this experience is ignored. The important point which Lal makes is that the right balance between government intervention and market forces is really a technical question of how best to attain the objectives which are common to both developed and developing countries—that is, higher living standards and faster economic growth. Unfortunately it has been elevated into an ideological conflict between socialism and capitalism and serves to widen the gulf between North and South.

One of the ways of reducing these conflicts is to convince the Third World that many of its intellectual beliefs, especially about the world trading system, are wrong. Regrettably, however, the pressure from the developing countries for the NIEO comes at a time when the confidence of the industrial countries in the LIEO is weakening. Protectionist and inward-looking tendencies are on the increase and there is a reluctance to face up to the disruptions caused by changing technologies and comparative advantages in foreign trade.

What is urgently needed—not least from the "thoughtful socialists" for whom the Fabian Society primarily exists—is a reassertion of the principles of the old liberal international economic order, which, as Lal remarks, has served the world better than the highest expectations of its architects.

Poverty, power and prejudice. Deepak Lal, Fabian research series 340, 75p.

London seeks more arbitration business

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

THE ARBITRATION Bill is about to complete its passage in Parliament. The main purpose of this short Bill is to make London arbitration more attractive to foreign businessmen. Yet it seems to be causing quite an unusual amount of dissatisfaction and unhappiness, considering that its proposals are not a subject of party political controversy and that its object is to improve further an institution which has been at home in London ever since it became an important international business centre. The settlement of commercial disputes by arbitration was recognised by Parliament for the first time in 1697 and the long series of legislation that followed was consolidated in the Arbitration Act of 1950. The present Bill, the first material amendment since 1930, concerns the supervision of arbitration by the English courts.

Arbitration is regarded in England and Wales as a private judicial process. The arbitrator must proceed in a judicial manner and the parties cannot authorise him—as they can in most other countries—to decide the case in a fair or equitable way without considering the technicalities of law, or to act as a conciliator. A close relationship between the arbitration tribunal and the courts is a particular feature of English law. If a question of law arises in the course of arbitration the arbitrator may ask the High Court to decide it. A party to the arbitration may also turn to the court directly, asking for an order instructing the arbitrator to "state the case" for the court's decision. In theory, the case can be referred to a judge only if "real, substantial and relevant" points of law are involved, and the High Court should not grant an application made by a party who only wishes to delay the enforcement of an unfavourable award. In practice, the procedure known as the "Special Case" procedure is often used just for this purpose and for this reason London arbitration has been falling out of favour with foreign parties.

Things are different in Scotland. The Arbitration (Scotland) Act 1894, provides almost only for the appointment of arbiters—the Scottish term for arbitrator. In contrast to England, the parties may authorise the arbiter to act as conciliator; that is, to find a solution acceptable to both parties without recourse to law. The special case procedure was introduced in Scotland only in 1972 (by an amendment to the 1894 Act) but with an important difference. First, the arbiter may not refer the case to the court on his own initiative; second, the parties are allowed to contract out of the special case procedure by including an appropriate clause in their arbitration agreement. If this is done, no appeal is possible to a court.

The Bill should bring English law somewhat closer to the Scottish, which in its turn is much closer to the law prevalent on the Continent. However, though the need for the reform seems to be generally agreed, the Bill's proposals are very timid and half-hearted. Some very experienced London arbitrators think that it will actually make things more complicated, and worse. The Bill, drafted in the much criticised "amendment by reference" method, is incomprehensible without being pencilled in between the lines of the 1950 Act, and was not adequately discussed in the business world. It follows the recommendations of the Commercial Court Committee published in July 1978 (Cmnd 7224) and replaces the Special Case procedure by a not much different appeal to the High Court. As with the Special Case, this judicial review should be confined to points of law. The Bill also contains provisions which, in their effect, will oblige English arbitrators to give reasons for their awards, something which they normally do not do, unless when stating the sible to a court.

The possibility of obtaining a court order obliging the arbitrator to give reasons for an award he has made will probably make arbitrators state their reasons whenever one of the parties asks for it. This would be an improvement for two reasons: first, only when reasons for the award are given can the dissatisfied party judge whether it should appeal to the court; second, the courts of many Continental countries do not recognise and enforce awards which do not state the arbitrator's reasons. The practical consequences of this provision of the Bill should therefore bring London arbitration practice closer to Continental practice and make it more acceptable to foreign parties.

The same cannot be said about the replacement of the special case procedure by the new appeal procedure. True, unless all parties to the dispute agree to refer the matter to the court, the judge can refuse to deal with appeals concerning questions of law which in his view could not substantially affect the rights of the parties. The same yardstick should be applied to legal questions referred to the court in the course of arbitration. Moreover, the courts should deal only with such references which might substantially reduce the cost of the arbitration. However, before a judge decides whether an appeal or a reference are justified, he will want to hear the two parties, and the arguments of the lawyers involved at this stage may be very long, which would bring the parties back to square one and make a mockery of the reform.

The main weakness of the Bill is in the provisions which should enable parties to contract out of the appeal procedure or of the procedure by which questions of law are referred to the court in the course of arbitration. In contrast with the Scottish law, the possibility of contracting out (by what the Bill calls an "exclusion agreement") will be limited to only a relatively small number of foreign arbitrations. In domestic arbitrations, that is all arbitrations taking place in the UK between parties resident or incorporated in the UK or controlled from the UK, parties will be allowed to contract out of the judicial review only after the beginning of arbitration. By that time the party likely to lose may already wish to delay the decision and will in such case not agree to contract out of the possibility of doing so.

As the reform has been prompted by the desire to make London arbitration more attractive to foreign parties, the exclusion of domestic arbitration from its benefits, though regrettable, is at least understandable. More perplexing is that the same restriction on contracting out of a judicial review applies also to foreign arbitrations, for which the greatest expertise exists in London, namely in marine, insurance and commodity arbitration. Parties to marine, insurance or commodity contracts, whether resident in Britain or abroad will if they accept London arbitration, continue to run the risk that disputes, instead of being resolved by informal arbitration, will lead to long and costly litigation in the courts. The only glimmer of hope contained in the Bill is the provision that the Secretary of State may lift this burden from the foreign marine, insurance, and commodity arbitration by an Order laid before Parliament — that is, without a protracted legislative process.

It has been suggested by the commercial Court Committee that the possibility of excluding judicial review should be opened to parties to foreign marine, insurance and commodity contracts after a transitional period. There seems to be a case for making this transitional period very short.

Rimell's Peterhof can keep ahead of Western Rose today

RACING

BY DOMINIC WIGAN

PROVIDED THAT there is no more than a degree or two of frost, to-day's Haydock programme should go ahead. It would be a pity if the card is lost as several interesting events, including the premier long-distance hurdle over three miles in which Western Rose will be under scrutiny.

The Fred Rimell-trained seven-year-old could hardly have been more impressive at Newbury on December 30. Always travelling smoothly in the valuable L'Oreal Hurdle, Western Rose took command approaching the final flight and quickly put daylight between himself and Pinchow.

Western Rose may be able to add to that purse this afternoon but I believe the course winner, Peterhof, will test him. This chestnut son of Royal Palace might well have landed the Waterford Crystal Stayers' Hurdle at Cheltenham's Festival meeting last season, instead of finishing runner-up to Flame Gun, but for some jumping errors.

He has done enough in his two outings this term to suggest it will take a smart animal to beat him here. Beaten into third place by 1½ lengths and a head by Philip Green and Cleo's Asp in a three-mile handicap at Teesside in December, Peterhof found little difficulty in reversing form with Philip Green on 3 lbs better terms at Wetherby on December 27.

In what seems sure to be an enlightening race, I intend taking a chance on Peterhof being good enough to outpoint Western Rose.

Another interesting event over the minor obstacles is the Waterloo Handicap Hurdle over 2½ miles. Here Little Owl, unbeaten in four appearances over hurdles will be trying to concede 7 lbs to Wotdyknow. The latter, a powerful Reliance II gelding, whose best performance in a disappointing campaign over fences last season came when he finished fourth, behind Goolagong, in the Wetherby Pattern Chase, remains a speedy hurdler and he is my selection.

Even if Wotdyknow fails to take advantage of his weight concession in the Waterloo Hurdle, Gordon Richards is unlikely to leave the track empty handed, for General Branca looks to be the answer to the Birkdale Novices Chase.

HAYDOCK
1.15—Rossborough
1.45—General Branca**
2.15—Wotdyknow***
2.45—Peterhof*
3.15—Cask and Glass
3.45—Badsworth Boy

TV/Radio

BBC 1

† Indicates programme in black and white.

9.41 am For Schools, Colleges. 12.45 News. 1.00 Pebble Mill. 1.45 Ragtime. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Don and Pete. 4.25 Jackanory Writing Competition. 4.40 The Space Sentinels. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Noah and Nelly.

5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 Blankety Blank.
8.30 Butterflies.
9.00 News.
9.25 What Kind of Society?
10.40 Lillian Hellman.
11.30 Weather/Regional News.

All Regions as BBC 1 except at the following times:

Scotland—9.41-10.01 am For Schools. 5.55-6.20 Reporting Scotland. 11.05 Thursday Night. 11.45 pm News and Weather for Scotland.

Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 11.30 News and Weather for Wales.

Northern Ireland—11.30-11.45 am For Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 8.30-9.00 Spotlight on Northern Ireland Affairs. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School.
5.15 Open University.
6.55 When the Boat Comes In.
7.45 Mid-Evening News.
7.55 Newsweek.
8.30 Midweek Cinema: "The African Queen" starring Katharine Hepburn and Humphrey Bogart.
10.10 Don't Forget to Write!
11.00 Darts — Embassy World Professional Championship.
11.35 Late News.
11.43 Open Door.

LONDON

9.30 am Schools Programmes. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Money-Go-Round. 2.25 Danger UXB. 3.20 Parents Day. 3.50 Little House on the Prairie. 5.15 Mr. and Mrs.

5.45 News.
6.00 Thames At 6.
6.25 Help!
6.35 Crossroads.
7.00 Wish You Were Here . . . ?
7.30 The Jim Davidson Show.
8.00 Rising Damp.
8.30 TV Eye.
9.00 Survival Special.
10.00 News.
10.30 Our People.
†11.00 The Thursday Film: "The Very Edge" starring Richard Todd and Anne Heywood.
12.40 Close: Xanthi Gardner reads from "The Prophet" by Khalil Gabran.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 3.50 Give Us A Clue. 4.20 The Next Week Show. 4.45 The Beachcombers. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 The Six Million Dollar Man. 9.00 The Streets of San Francisco. 10.30 Wish You Were Here. 11.00 TV Movie: "The Abduction of Saint Anne." 12.25 am The Living Word.

ATV

1.20 pm ATV Newsdesk. 3.50 The Electric Theatre Show. 4.20 Little Vic. 4.45 Island of Adventure. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Doctor On The Go. 10.30 Format V. 11.00 Cinema Showcase: "Fat City."

BORDER

†1.20 pm Border News. 3.50 Give Us A Clue. 4.20 Little House on the Prairie. 5.15 Laverne and Shirley. 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 7.30 Mr. and Mrs. 10.30 Take the Mick—The Music of New Orleans. 11.00 Power Without Glory. 11.55 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 3.50 Give Us A Clue. 4.20 The Little House on the Prairie. 6.00 Channel News. 6.10 Dynomutt The Dog Wonder. 7.00 The Incredible Hulk. 10.32 The Story of Wine. 11.00 Movie Premiere: "The Hanged Men." 12.20 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 3.50 The Rolf Harris Show. 4.20 The Little House on the Prairie. 5.20 Dynomutt—The Dog Wonder. 6.00 Grampian Today. 7.00 Police Newsroom. 7.05 Emergency. 10.30 Star Treatment. 11.00 Reflections. 11.05 TV Movie: "Satan's Triangle." 12.25 am Grampian Late Night Headlines.

GRANADA

1.20 pm This Is Your Right. 3.50 Stars On Ice. 4.20 The Life and Times of Grizzly Adams. 5.10 What's New. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Bionic Woman. 10.30 What's On. 11.00 Late Night Thriller: Boris Karloff in "Die, Monster, Die."

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 3.50 Give Us A Clue. 4.20 Wyatt's Place. 4.45 Bailey's Bird. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Sports Arena. 7.00 Six Million Dollar Man. 10.35 Adam's Tale. 11.35 Richie Brockelman, Private Eye.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion Y Dydd. 4.20-4.45 Seren Wib. 5.15-5.20 Cartoontime. 6.00-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-7.00 Report West.

SCOTTISH

1.25 pm News and Road and Weather. 3.50 Give Us A Clue. 4.20 The Little House on the Prairie. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 The Six Million Dollar Man. 10.30 Dean Friedman in Concert. 11.00 Afloat. 11.30 Late Call. 11.35 Barnaby Jones.

SOUTHERN

1.20 pm Southern News. 3.50 Rolf Harris Show. 4.20 The Life and Times of Grizzly Adams. 5.15 Melotoons. 5.20 Crossroads. 6.00 Day By Day. 6.45 Dick Barton—Special Agent. 7.00 Emmerdale Farm. 7.30 University Challenge. 10.30 Southern News Extra. 10.35 Your Westminster. 11.05 The New Avengers. 12.00 What The Papers Say.

TYNE TEES

9.25 am The Good Word, followed by North East News Headlines. 1.20 pm North East News and Lookaround. 3.50 Give Us A Clue. 4.20 The Beachcombers. 4.45 The Little House on the Prairie. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Survival. 9.00 Hawaii Five-O. 10.30 Northern Scene. 11.00 Invitation Snooker. 11.35 Side Street. 12.35 am Epilogue.

ULSTER

1.20 pm Lunchtime. 3.50 Give Us A Clue. 4.18 Ulster News Headlines. 4.20 The Life and Times of Grizzly Adams. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 Counterpoint. 11.00 Hogan's Heroes. 11.25 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 3.50 Give Us A Clue. 4.20 The Little House on the Prairie. 6.00 Westward Diary. 7.00 The Incredible Hulk. 10.28 Westward Late News. 10.30 Talk of the Town. 11.00 Movie Premiere: "The Hanged Man." 12.20 am Faith for Life. 12.25 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 3.50 Give Us A Clue. 4.20 Dynomutt. 4.45 The Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 7.30 Botanic Man. 10.30 Wish You Were Here. 11.00 Fantasy Island.

Radio Wavelengths

1 1053kHz/285m 1089kHz/275m
2 693kHz/433m 909kHz/330m & 88-91vhf stereo
3 1215kHz/247m & 90-92.5vhf stereo
4 200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m & 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(s) Stereophonic broadcast

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Talk-About. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (s). 12.00-5.00 am: As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 David Allan (s). 7.32 Terry Wogan (s) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (s). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (s). 2.30 David Hamilton (s). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (s). 6.45 Sports Desk. 7.02 Country Club (s). 9.02 Folkweave (s). 9.55 Sports Desk. 10.02 The Peter Goodwright Show. 10.30 Star Sound Extra. 11.02 Brian Matthew introduces Round Midnight including 12.00 News. 2.02-5.00 am You and the Night and the Music (s).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (s). 8.00 News. 8.05 Morning Concert (s). 9.00 News. 9.05 This Week's Composer: Boyce (s). 9.35 Gwenneth Pryor piano recital, part 1 (s). 10.30 Interval Reading. 10.35 Recital, part 2. 11.10 Bavarian Radio Symphony Orchestra, part 1 (s). 11.45 In Short. 11.55 Bavarian RSO, part 2 (s). 1.00 pm News. 1.05 Manchester Midday Concert (s). 2.00 "Nabucco" Opera in four acts by Verdi. Acts 1 and 2 (s). 3.15 Words. 3.20 "Nabucco," Acts 3 and 4. 4.25 Howells and Benjamin Clarinet and Piano Recital (s). 5.05 Smetana chamber music (s). 5.45 Homeward Bound (s). 6.30 News. 6.35 At Home (s). 7.30 BBC Northern Symphony Orchestra, part 1: Ravel, Mozart (s). 8.10 Season Songs by Ted Hughes (reading). 8.30 BBC Northern Symphony Orchestra, part 2: Berlioz (s). 9.30 The Primitive and its Value in Art by Ernst Gombrich (talk). 10.00 Beethoven's Op. 30 Sonatas. 10.50 Drama Now (s). 11.35 Purcell (s). 11.55-12.00 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. Magazine, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Mid-Week with Desmond Wilcox. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 The Enfield Poltergeist. 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.27 Just a Minute (s). 12.55 Weather; programme news. 1.00 The World At One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.10 Questions to the Prime Minister. 3.35 Afternoon Theatre (s). 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Quote . . . unquote (s). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 "Moby Dick," by Herman Melville: radio version with music (s). 9.25 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 Soul 79. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time. From 1.05-Close: As Radio 2.

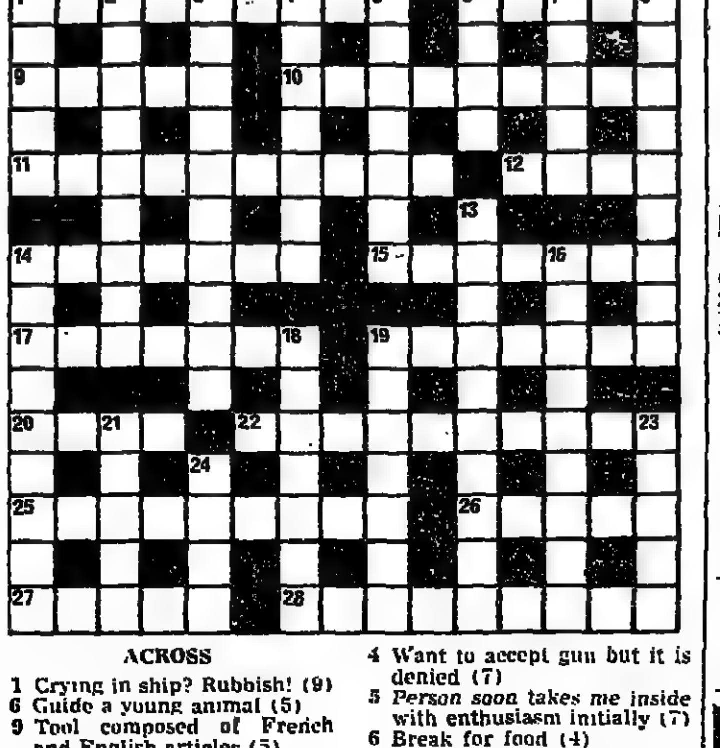
London Broadcasting

5.00 am Morning Music. 6.00 AM: News, Information, Travel, Sport. 10.00 Brian Hayes Show. 1.00 pm LBC Reports. 3.00 George Gale. 4.00 LBC Reports (continues). 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Graham Dene's Breakfast Show (s). 9.00 Mike Smith (s). 12.00 Dave Cash (s). 3.00 pm Peter Young (s). 7.03 pm Lord George-Brown's Capital Commentary (s). 7.10 London Today (s). 7.30 Adrian Love's Open Line (s). 9.00 Nicky Horne's Your Mother Wouldn't Like It (s). 11.00 Tony Myatt's Late Show (s). 2.00 am Duncan Johnson's Night Flight (s).

F.T. CROSSWORD PUZZLE No. 3,892



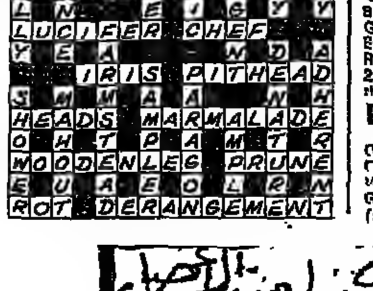
ACROSS

1 Crying in ship? Rubbish! (9)
6 Guide a young animal (5)
9 Tool composed of French and English articles (5)
10 My casting is horrible but vigorous (9)
11 Commentary from former location (10)
12 Portion of surface in square arena (4)
14 Cost demanded for accused (7)
15 Sounding repetitious (7)
17 Lie about a love affair (7)
19 Direct route for insects (3-4)
20 Toxophilite in famous circus (4)
22 Share in ascent and growing up (10)
25 Elucidate in other words? (9)
26 Hold forth with nothing to deserve (5)
27 Feed greedily on what may follow Cheddar (5)
28 With sincerity is early outside home (9)

DOWN

1 Fish about five to find the answer (5)
2 Medium product from badly organised M.O.T. places (9)
3 Urge a chap to be a newspaper supplier (5-5)
4 Want to accept gun but it is denied (7)
5 Person soon takes me inside with enthusiasm initially (7)
6 Break for food (4)
7 Go in and register (5)
8 Unusually clear gent could be a square (9)
13 Hat-trick at sixty? (10)
14 Caring about pet that may be on the floor (9)
16 Wanderer needing it in time to book (9)
18 Sign to express approval (7)
19 Support in bed (7)
21 Animal to be seen in hot terrains (5)
23 Very small letter to New York (5)
24 Encourage guide-leader in river (4)

Solution to Puzzle No. 3,891



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA. Tonight & Sat 7.00 Carmen. Tomor & Wed next 7.30 Il Trovatore (final perfs). Tue next 7.00 Dido and Aeneas/Les Mamelles de Tiresias. 104 balcony seats avail. for all perfs. from 10.00 am day of perf.

THEATRES

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CINEMAS

THE ARTS

Queen's

Tommy by B. A. YOUNG

The pulse speeds up, if it doesn't exactly race, when the curtain rises on David Knapman's towering set and those mysterious chords devised by Pete Townshend and The Who usher in the initial dumb-show depicting Tommy's parentage. Two great metal ladders on each side of the stage support an upper stage, above which cine-projections flash meaningfully. Laser beams slice the air with hard green patterns. A choir of 30 young people, the boys distinguished from the girls only by their flat chests, nestle behind the ladders while the principals climb up and down them, sometimes in time with the music, more or less.

If only it could stay as exciting as this. But alas, it is not to be. The familiar music blares out, fortissississimo, and those who know and love it will be able to know and love it again, though they may not love it quite so well. Frankly the singing, except Peter Straker's, is terrible. Though everyone uses a hand-held mike (thus preventing any acting) few are able to make their words heard. I know I have a thing about mikes, but this is too silly, to see characters taking their mikes off the hook as they come on and hanging them up again as they leave. When Tommy (Allan Love) is hanging on the cross, a tau cross, T for Tommy, of course, he can't hold his mike up, so one of the chorus has to come and do it for him.

The dramatic adaptation by Paul Tomlinson and John Hole (who also direct) really has little to add to the sound, for all its colourful elaboration. The characters have no depth, nor were meant to have; their function is to create some movement on the stage while the story blares out, unintelligibly as it happens, through millions of watts' worth of speakers. Anna Nicholas and Steve Devereaux neglect their blind, deaf and dumb little boy with no gesture more significant than raising a microphone to their mouths. When we can hear the words, as in the songs for the baby-sitting perverts Ernie and Kevin (Bob Grant and Kevin Williams), they are rather nasty.

For the benefit of those who haven't encountered *Tommy* as a disc, a film or a stage performance (there was one at the Phoenix, Leicester, some years ago), I should explain that someone called the Acid Queen treats the handicapped child so effectively that he becomes the world's champion pinball player, makes his fortune, starts a religion and meets the usual end of Messiahs.

Luckily, at the Queen's we have a narrator to tell us the tale, and the narrator is Peter Straker, who usually can make us hear what he is singing. If he were not to hand, we should simply have to rely on our memories. I suspect that there are enough young people who don't care much how *Tommy* is presented, as long as it is presented somehow, to keep the Queen's Theatre rocking for a fair time.

Leonard Burt

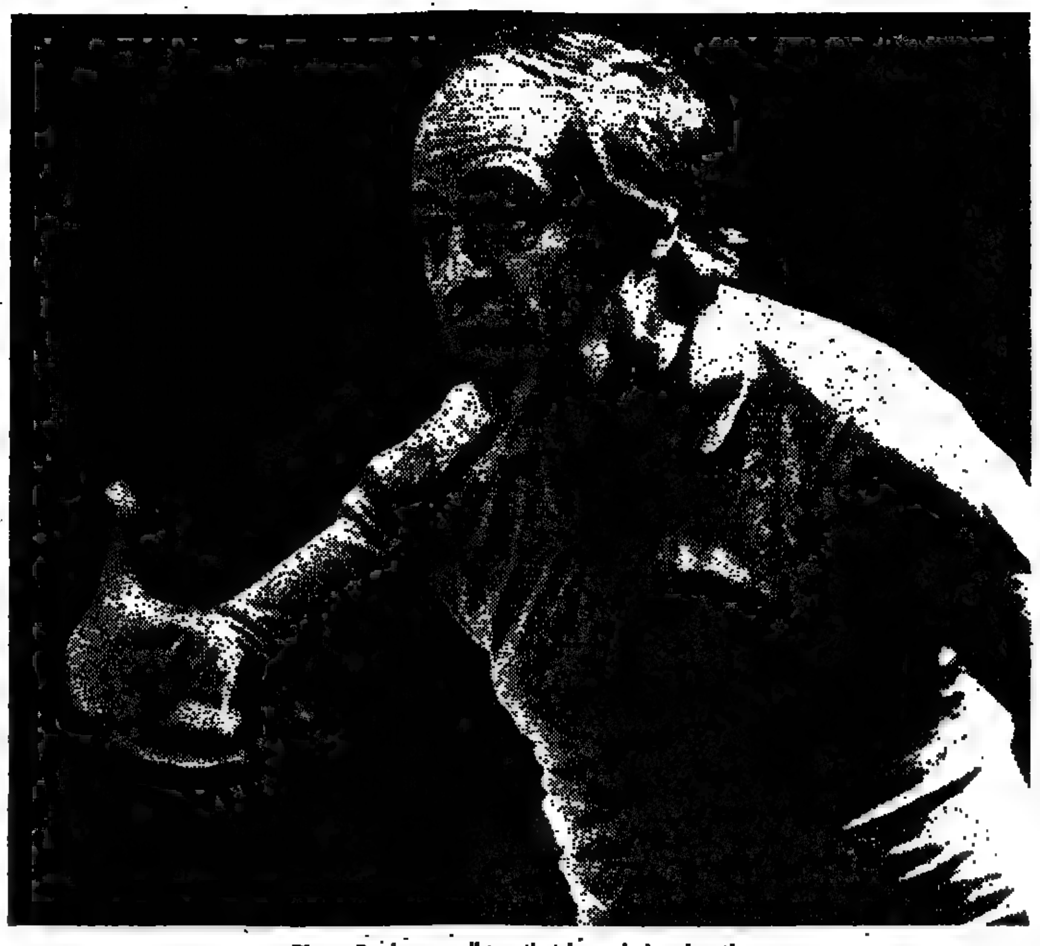
Allan Love and Kevin Williams

Record Review

Webern rediscovered by DAVID MURRAY

Anton von Webern, a chronicle of his life and work by Hans Moldenhauer in collaboration with Rosaleen Moldenhauer. Gollancz, £20.00, 803 pages with many illustrations.

Webern: Vol. I—opus 1-31. Charles Rosen, Heather Harper, Halina Lukomska, the Juilliard Quartet and others, with Pierre Boulez, the John Alldis Choir and the London Symphony Orchestra. CBS 79402 (four records). £14.99.



Pierre Boulez: an album that is a whole education

Anton Webern—he dropped the aristocratic "von" in later years, though Dr. Moldenhauer prefers to restore it—has become unprecedentedly available. The puzzled esteem in which his music has been held for the past quarter-century will be clarified, and certainly not lessened: Webern is not one of those esoteric figures whose reputations depend on partial and obscure acquaintance. The Moldenhauer's "chronicle" is exhaustive, magnificently researched, a loving *hommage* on the grandest scale; the CBS album offers distinguished performannces of all Webern's opus-numbered works (and a little more), with a Volume II to come which will include the juvenilia and marginalia (much of it unearthed by Dr. Moldenhauer). For the devotee, all this is pure pleasure, but very many music-lovers will find themselves susceptible too.

Webern is generally recognised as one of Schoenberg's two most creative disciples (with Alban Berg), and specifically as the one who pursued Schoenberg's thoughts about composition to single-minded and radically original lengths. He died in Austria at the end of the last world war, the victim of a moment of clumsy panic—American soldiers of the Occupation were seeking to trap his son-in-law for currency offences, and Webern was shot when he stepped from the family cottage into the evening air to enjoy a rare cigar. Since then his music has been a potent influence on newer composers; indeed, coming to terms with much new music without knowing Webern would be like meeting Debussy or Schoenberg while having somehow missed out Wagner. (In fact the initial interest of much new music diminishes sharply in proportion to one's acquaintance with Webern's, the latter being unmatchably taut, lucid and honest.) But he left only a few writings, and his development has been sketchily documented; the music itself is peculiarly awkward to programme, and Robert Craft's pioneering, under-budgeted recording of all the known *oeuvre* in the mid-1950s contained many performances which were the merest drafts.

The Moldenhauers and CBS (with Boulez presiding over the performances) have put all that right. Dr. Moldenhauer's engagement with Webern-studies began nearly 20 years ago, when he discovered that the family still possessed a wealth of forgotten music sketchbooks, early compositions, letters and other documents. These, together with the fruits of much other assiduous research, have generated the astonishing "chronicle" which presents a Webern as whole as can be imagined. He was known vaguely to have had a quiet life, much of it artistically subservient to Schoenberg; but the authors' dispassionate recording of the intellectual and emotional details of that life, continuously fascinating, reveals an artist of articulate integrity and noble independence. Everything from schoolboy reminiscences to memoirs by his pupils is called upon, the biographical narrative interlinked with clear, thoughtful descriptions of the music. Special attention is of course given to the newly discovered pieces: the published music from op. 16 lays bare enough Webern's progress from the point when he adopted Schoenberg's "method of composition with 12 notes," but just how he got there has been imperfectly understood.

Generally the Moldenhauers leave the reader to make his own interpretations and draw his own conclusions, but their own intense commitment to the study keeps it triumphantly clear of dryness. One cavil: the Webern book has several points in common with Henry-Louis de La Grange's massive Mahler biography, also published by Gollancz, and they include a plethora of intriguing side-information hived off in footnotes. In both books, the footnotes for every chapter appear near the end of the volume; to consult them you must know which of the 36 chapters you are reading, but the tops of the pages give only chapter *titles*, not numbers. A maddening amount of leafing back and forth is needed.

The CBS album is one to return to again and again, with the satisfaction of finding performances informed by long experience and acute intelligence. The recorded quality is generally excellent, but there is some regrettable pre-echo, presumably the result of adhering strictly to numerical order by opus, instead of averaging out the side-lengths by distributing the works freely about. There was little point in that, for mere chronology does not make for the happiest juxtapositions in listening, and furthermore the bands which separate the works are disconcertingly brief. The seemingly lavish programme-notes are grudging with information about individual players and about movement-headings; the song texts are printed painfully small, with much white surround, and it is all badly proof-read. Susan Bradshaw's musicological notes are admirable, and there is an overview of the composer by his student, Humphrey Searle, and a rich bag of Webern quotations chosen astutely by Boulez.

The Juilliard performances of the music for string quartet and for trio are splendid, and Charles Rosen is fastidious with nearly all the piano parts (the anonymous pianist in the Concerto op. 24 sounds dull, and the piece is devitalised). The grand gesture of bringing in Isaac Stern and Piatigorsky to play the tiny pieces with violin and cello (and John Williams for the tough op. 18 songs with guitar) was well justified; they sound bold and convinced. In the earlier songs Heather Harper is musicianly but grave and careful—the fine op. 3 cycle is sharper and more flexible than she allows—though she warms suddenly for op. 14. The later songs are attractively lined out by Halina Lukomska, who has a generalised way with phrase-shapes that sometimes irons character away. All the chamber and orchestral pieces are brilliantly scrupulous, telling details leaping into relief. Boulez lacks only what Webern himself displays so winningly in his 1932 performances of his transcriptions of Schubert dances, at the end of the last record: an easy and affectionate Viennese pulse. The Variations op. 29 and the Symphony (and Rosen's Piano Variations too) are judiciously argued, but stiff-backed. These are niggles, though. The Webern album is a whole education, and a feast of musical delights which seem less and less strange.

Covent Garden

The Sleeping Beauty

We had an allegro account of *The Sleeping Beauty* on Tuesday from Anthony Twiner as conductor, and the Royal Ballet as interpreters. There were merits to this approach: Lesley Collier's brilliancy of utterance and clean articulation as Aurora—like a balletic Galli-Curci—were given the right musical sympathy; Stephen Beagley as the Bluebird was guided and seemingly driven into a more assured account of his role than on Saturday afternoon by the speed adopted by Twiner. Mark Silver, making his début as Florimund, was impelled by the music into a dashing account of the third act variation: his dancing showed a welcome panache, with movement seen at full stretch.

But I incline to the view that Chaikovsky and Petipa should be allowed to breathe; the melodies need time to expand and flower, the dances have to open out and thus avoid looking dainty or winsome, let alone gabbled. With a score that sings so richly, with dances that have a formal strength and dignity worth savouring, this eager, nervously superficial approach minimises the emotional force of the ballet—its structure already weakened by truncations in the second and third acts.

Mark Silver looks as princely as any Sleeping Beauty could desire. His dancing, with its elegant line and good manners, speaks of the character quite as potently as his easy nobility of bearing. Like all his colleagues in the exceptional generation of young danseurs now emerging in the company, he needs some technical polish — the Royal Ballet should acquire Bournonville works as a necessary academy for its men—but his first appearance as Florimund must be accounted a welcome step forward by an artist of considerable potential.

As a production postscript I must urge some attention to the panorama. The creased, ill-hung, and boringly lit yardage of canvas that trails before our eyes has all the magic of a view of Broadmoor. The shortening of the scene is sad enough: at least we might be allowed to enjoy what is left to us.

CLEMENT CRISP

German Television

Holocaust by RONALD HOLLOWAY

An analysis of why the American NBC television series, *Holocaust*, was an enormous viewing hit—one might even say a catharsis—in Germany is presently underway at Westdeutscher Rundfunk (WDR), the Cologne station in the First Channel (ARD) network which bought the programme. What's certain at the moment is only that the public response—circa 20m viewers each evening, 41 per cent of the national audience, 30,000 phone calls, an endless stream of letters and telegrams—was completely unexpected, particularly as the four-part series was reduced to Third Channel (educational) viewing, and scheduled in the middle of the week at late time slots.

Something happened in the fourth week of January 1979 that has never happened before in the 34 years since the end of the Second World War: an open admission of guilt. "We didn't know" has been wiped from the slate, hopefully forever. No voice stated the case more plainly than Berlin's venerated film-and-theatre critic, Friedrich Luft, whose Sunday morning brodcast recalled a 1932 Nazi-sponsored meeting in Berlin (the one and only time Luft attended such an affair) at which Goebbels delivered a tirade against the Jews ("we must smash them like bugs!") and was saluted in return by three attending church pastors. We all knew what the Nazis stood for, was Luft's frank conclusion. *Holocaust* is part of German history.

The trouble was that the German nation kept its guilt feelings in rein during those dreadful post-war years, when—God knows!—other matters occupied their full attention. And it thus became easy to identify with the Berlin Jewish doctor's family—so completely German—in an intelligently cut and perfectly synchronised *Holocaust*, minus the sacrilegious advertising spots and sentimental banalities of the longer American series.

The other side of the picture is that, in the course of the week, the Germans had very little to be ashamed of in rising to the occasion. Each evening eye-witness or acknowledged experts discussed the events on the screen and patiently, with often astonishing moral insight, answered questions phoned in by disturbed and querulous viewers. The human drama in the course of the evening invariably gave way to a human tragedy — "the banality of *Holocaust* hardly compares with the banality of evil" or "Auschwitz is a problem for humanity" or "racism still confronts the churches."

There have been other television programmes, mostly documentaries, covering the same ground as *Holocaust* — indeed, the German-produced broadcasts of exceptional range and depth are too numerous to cite. But these were nearly all documentaries — and those few feature films (Wolfgang Staudte's, in particular) only scratched the surface and ducked the main issues. The German film, subsidised to the hilt, refused to look to the past for its force and integrity. And a cinema without a past is a cinema without a future.

Now that *Holocaust*, for all its deficiencies, has broken the ice, a stream of forthright documentaries, feature films, and television dramas will pour forth. Like those approving phone calls, this stream could swell into a torrent to break through the dam of taboos still inhibiting free expression in the performing and visual arts. When that happens, questions on Terrorism and Mass Hysteria in films such as *Germany in Autumn* can also be answered in similar detail as they were after *Holocaust*.

Riverside Studios

A Rite Kwik Metal Tata by MICHAEL COVENEY

You expect odd titles from David Halliwell. His previous credits include *A Last Belch of the Great Auk, Janitress Thrilled by Prehensile Penis* and *The Freckled Bum*. It is a silly habit, as well as an old-fashioned one. I cannot imagine anyone sitting at home and turning to their loved one with a rush of enthusiasm to suggest a trip to Hammersmith to see a play called *A Rite Kwik Metal Tata*, even if I can now reveal that it is a phonetic equivalent in Yorkshire dialect of something like "Suddenly Goodbye at Gunpoint."

Mr. Halliwell has had his ups and down over the years but seems to have come through his pointless "multiviewpoint theatre" stage. His last play, *Prejudice*, shared the latest George Devine Award and the present piece, despite being about an hour too long, marks a return to the kind of form he first displayed in 1965 with *Little Malcolm and his Struggle against the Eunuchs* (Broadway sensibly renamed that one *Hail Scrawdyke!*).

Malcolm was a comic Hitler, taking his revenge on the world in a Huddersfield attic; here we have a couple of comic terrorists, members of the Yorklands Liberation Army (the YLA), who have abducted the Tory MP for North Finchley as hostage in their demands for self-governing Yorkshire, release of political prisoners and access to the media on a par with the major parties.

The hypothesis is archly theoretical—how can it be anything else with actors in uniform greys and blacks performing on a bare stage with three chairs?—and designed to attack both sides of the argument for devolution. Like Patty Hearst, the MP appears to change sides, only to emerge as a ruthless destroyer at the end. Much of the debate is flaccid and repetitive and matters are not helped by Brian Gwaspari playing the MP with a tediously overdone stutter. The best acting by far comes from David Daker as the terrorist who discovers love in a cupboard with a second hostage (a Finchley girl is kidnapped in the final half hour) and realises that sexual liberation could be more fun than th epolitical variety.

The play is best when it builds comic scenes that both explode in laughter and reveal the hypocrisy of the chief terrorist (Christian Rodska). This happens rarely, but the indoctrination of the MP as to how he should conduct himself in Harry Ramsden's fish and chip shop is hilariously similar to the best moments of *Little Malcolm*. The indulgent direction is by Janos Bruck.

LSO's 75th birthday

The London Symphony Orchestra, Britain's first self-governing orchestra, celebrates its 75th anniversary this year. It was born in 1904 when a group of musicians with the Henry Wood Queen's Hall Orchestra decided to run their own orchestra on Continental lines.

The current principal conductor, André Previn, is to conduct the birthday concert on June 17, four days after his own 11th anniversary with the orchestra, before handing over to his successor, Claudio Abbado.

Chichester 1979

The four plays for this year's Chichester Festival have a rather less Shaftesbury Avenue feel about them than last season. The Festival opens on May 6 with Shaw's *The Devil's Disciple*, Ian Ogilvy playing Dick Dudgeon and Sir John Clements General Burgoyne. This will be followed by Cocteau's *The Eagle Has Two Heads* in Ronald Duncan's adaptation, with Jill Bennett as the Queen. It opens on May 22.

The Importance of Being Earnest follows on July 10. Ian Ogilvy and Michael Cochrane play the two young men, Hayley Mills and Mel Martin the young women, Googie Withers will be Lady Bracknell and John Clements Canon Chasuble. Finally George S. Kaufman and Moss Hart's great comedy *The Man Who Came to Dinner* opens on July 31. The actor who will play Sheridan Whiteside cannot yet be named.

For the second year running, the season will be sponsored by Martini-Rossi, and the artistic director is Peter Dews.

Museum hopes to prevent export of Evelyn cabinet

The Geffrye Museum has until midnight on April 18 to raise £18,000 to save the historic and well-documented John Evelyn cabinet from export.

An application for a licence to export the cabinet to Germany came before the reviewing committee for the export of works of art, after objections had been made by the official adviser on furniture.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
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Thursday February 8 1979

Fine tuning house prices

THE FIGURES published yesterday by the Abbey National Building Society showing that the average price of a house bought on a mortgage was about 28 per cent higher at the end of last year than 12 months earlier are broadly in line with those released by the Government earlier in the week. The rise was by no means as sharp as those which took place in 1972 and 1973 but it came after three years of comparative stability when prices were rising by about 7 per cent a year. The rate of increase was particularly steep in the second and third quarters and somewhat slower in the last quarter. Unless the mix of houses had changed markedly, this may well indicate the pace was slowing down, as Abbey National suggests.

Not unnaturally, building society leaders have been quick to point out that the course of house prices last year somewhat belies the Government's argument that the primary influence on house prices is the availability of mortgage money. For prices rose faster after the societies had responded to Ministers' request for a cut-back than before.

Adoption

The policy of controlling the flow of mortgage funds so as to avoid an undue increase in house prices was pressed upon a rather unwilling movement in 1975. It was borne out of the experience of rocketing prices at a time of easy credit in 1972-73. Its ready adoption could also be said to reflect politicians' belief that there is more to fear electorally from an upsurge in house prices than from a shortage of mortgage funds. Until last April, when cuts were imposed, the lending ceiling agreed by the joint advisory committee set up in 1975 had been above the level the societies had been able to meet.

The fact that average house prices then rose by 6½ per cent and 9½ per cent in the two following quarters, after rising by an average of only 2½ per cent in each of the previous four quarters, could of course mean that the lending cut-backs should have been larger and imposed earlier. The truth however is likely to be more complex. All the evidence shows that there is a strong underlying demand for owner-occupation among the newly married and among people living in other tenures, and a substantial desire to trade up among those who already own their own home. There may be several factors which will turn this underlying demand into effective demand, of which the availability of housing credit is certainly one.

Conflict

Over the longer term, for instance, there is a fairly close correspondence between the course of house prices and that of average incomes. By 1977, house prices relative to income had fallen from the high levels reached in 1973 (which had been last seen in the early 1950s) to about the same relation ship as in 1970-71. By the end of 1977, building societies were in substantial funds and had high liquidity ratios; mortgage rates had fallen from a record 12½ per cent to 8½ per cent bringing about a sharp fall in net borrowing costs; real incomes were rising; and consumer confidence was growing. A similar conjunction of circumstances occurred in 1972, save that on that occasion a speculative fever set in.

Whether governments should engage in fine-tuning just one of the factors—albeit certainly an important one—which may influence the course of house prices is debateable. The societies themselves pursue one form of stabilisation in that they are reluctant to make frequent or substantial changes in their deposit and lending rates despite the increasing volatility of interest rates; and there will clearly be times when the two policies will be in conflict.

The immediate prospect, however, is one of greater constraint. Building society liquidity ratios are now close to the bottom, the net inflow of new funds is low, and with interest rates hardening the movement could well soon have to choose between raising its rates or rationing mortgage advances further still.

Spain at the hustings

WITHIN THE SPACE of three days this week Spain has formally opened EEC entry negotiations and begun its first general election campaign since the country's new democratic constitution was approved at the end of last year. Although the Government maintains the close timing of the two events to be coincidental, they are clearly inter-related. The Community would not be negotiating with Spain if the country had not fully established its democratic credentials. It is, equally, convenient for Sr Adolfo Suarez, the Prime Minister, to be able to lead his Union of the Democratic Centre (U.C.D.) into the election campaign with convincing evidence of his Government's international respectability. While detailed negotiations may not start for some months yet, Monday's ceremony in Brussels is seen by Dr. Suarez as symbolising the distance Spain has travelled in theree years since the death of General Franco.

Domestic issues

It is largely for this reason that EEC membership is unlikely to be a major issue in the March 1 election. Most Spanish politicians are becoming increasingly aware that the entry negotiations will be difficult, but none of the major opposition parties (the Socialists, the Communists and the Right-wing Alianza Popular) are against the idea of membershsip as a matter of principle. The campaign is much more likely to focus on domestic issues, such as unemployment, and the personalities of the main party leaders. Hitherto, there has been little sense of confrontation between the UCD and the Socialists, their main opponents, as Sr. Suarez, as the leader of a minority government, has been successful in his attempts to govern on a basis of Parliamentary consensus.

Differences of emphasis have nevertheles emerged. Sr. Suarez will be presenting his party as the champion of law and order—at a time of continuing political violence—and dynamic economic growth. Sr. Felipe Gonzalez, the Socialist leader, will be trying to foster a more progressive image, laying greater emphasis on increased public spending and agricultural reform. On the personal front, Sr. Suarez will be trying to establish himself as more than simply a transitional Premier, although, of course, he will also be campaigning on his record as the man who successfully steered the country from Francoism to democracy. Sr. Gonzalez will be trying to convince the voters that he and his party are to be taken seriously as a credible alternative Government and overcome the psychological setback of last year's defeat of the Left in France.

Sr. Suarez need not have called the election when he did. He is gambling on securing enough additional support to enable his party to govern by itself, without needing to secure the tacit backing of the left-wing parties. He does not want to repeat the Italian "historic compromise" in Spain. If he fails to win an overall majority, he might well prefer a more British formula — an alliance with the regional parties that are expected to gain ground in the poll — although a formal coalition with the Socialists cannot be totally excluded if either party gains an overall majority. An important consideration in Sr. Suarez's mind has been to hold the general election before the municipal poll due in April, in which the left-wing parties are generally expected to make considerable gains. The continued occupation of municipal posts by Franco loyalists is likely to create ab acklash at local level.

Terrorism

Both Sr. Suarez and S. Gonzalez still have everything to play for. The latest polls show the Socialists marginally ahead, but almost 40 per cent of the electorate is still undecided or planning to abstain. Sr. Suarez is counting on the doubters rallying to the Government when the day comes. Nobody knows how violent the campaign will be, but there can be little doubt that a major fresh outbreak of terrorism would play into Sr. Suarez's hands.

Meanwhile, the electoral timetable means that important economic problems are still not being tackled. Industry is losing confidence and investment decisions are hanging fire—but there may not be a new Parliament until June. Whatever new Government emerges from the elections it must be hoped that it has the authority to take the difficult economic decisions that have been put off, while the country concentrated on its political future.

Iran: the consequences for world trade

By ALAIN CASS in Tehran and RICHARD JOHNS in London

TEHRAN IS full of people with hindsight these days. To them the turmoil in Iran and the economic consequences which have brought to its knees one of the biggest export markets in the Middle East and one of the developing world's most ostentatious economic successes comes as no surprise. But it is still a painful shock.

It is slowly becoming clear through the political confusion and civil unrest that the Shah's dream of turning his country into the fifth industrial power in the world is over.

It is equally likely that brave claims by officials sifting through the wreckage in the capital's silent ministries that Iran is only having "temporary production problems" are no more than pious hopes. The latest assessment from what little detailed evidence is available, suggests that what is left of an economy fuelled by $20bn of oil revenue in 1977 will take years to recover, even if the present crisis resolves itself within a matter of weeks and the oilfields were operating soon after that.

The damage to the Iranian economy according to diplomats in the capital goes far beyond the estimated loss in oil revenues so far of $5bn-6bn.

It falls, broadly speaking, into two categories. Embittered Iranian officials busy pruning expenditure and salvaging what they can, say that both are partly a result of what they describe as the Shah's "grotesque extravagance" with an economy which was clearly phenomenally over-extended.

The first and less serious category could be repaired once the oil starts flowing again and funds are available. An estimated 75 per cent of Iranian industry is at a standstill because of strikes in support of the religious leader, Ayatollah Khomeini. Food shortages are beginning to develop, the most worrying of which is a scarcity of wheat, partly because suppliers are not getting their money and partly because ports and borders are clogged up. At least six ships loaded with wheat are waiting in the Gulf and worried officials are beginning to talk about bread riots if supplies do not get through. There is also a shortage of meat, rice, tea and sugar.

Travellers say that there are at least 500 trucks queuing at the Turkish border and one returning diplomat estimated there were 6,000 railway carriages waiting to cross the border with the Soviet Union. Dozens of ships are waiting at Iran's ports.

Other superficial wounds to the Iranian economy include an estimated backlog of 50,000 commercial transactions awaiting approval at the Bank Melli, the country's central bank, the accumulating debt resulting from the cancellation of contracts, repayment schedules and other commitments, and the loss of production in the consumer and services sector of the economy.

All this can be put right in time. The wounds inflicted in the second category, however, are far deeper and in the long run will prove far more damaging. Clearly no precise figures are available at present and any estimates which have been made are both tentative and very rough. But they are not improbable.

After nearly three months of strikes, many of Iran's companies must be near bankruptcy. Some estimates are that at least half and possibly as many as three-quarters of the country's companies will go under if they are not rescued. That does not seem exaggerated.

The Central Bank will be obliged to pump huge sums of money into the economy simply to save companies from bankruptcy. This in turn carries the risk of roaring inflation.

The banks look crippled. Dr. Rostam Pirasteh, the former Chase Manhattan Vice-President, now Minister of Economic Affairs and Finance, told the Financial Times that this sector —"one of Iran's greatest national assets"—would be saved at all costs. He acknowledged that banks were in trouble but insisted that there was no liquidity problem—merely a lack of "printed notes."

Perhaps the most damaging outcome of the troubles is that the assumptions upon which the Shah's economic strategy and the West's commercial plans were based no longer exist. No doubt the next stable Government will prove more realistic than the pronouncements of the Ayatollah Khomeini. But even now it is already clear that economic priorities will change dramatically. As Dr. Pirasteh put it, "our import basket will be different."

The future of OSCO, the western oil consortium which produces Iran's oil, must now be seriously in doubt. It may be too early to be definitive, but few oil men or diplomats give much for its chances of surviving in its present form. Most expatriate employees are likely to find themselves employed by Iran's state oil company in future, if at all.

This, coupled with the fact that Iran's oil output will almost certainly be reduced for political reasons, from its former level of over 6m barrels a day, cast a major doubt over the economy's capacity to pay for large amounts of western goods. Consumer habits will have to change. As one official put it: "No more Mercedes."

Defence has already fallen victim to the Islamic revolution. Other areas are bound to follow, and although the pronouncements both of the Ayatollah and the present Government should be taken with a pinch of salt at a time when both are struggling for control of the country, it seems certain that ambitions which included a $60bn budget, 20 nuclear power stations, and an army of Chieftain tanks are as much part of the past as the Shah himself.

It is bitterly ironic that only six months ago international banks almost vied with each other in publicising themselves as lenders to what, as we now know, could in the near future be a country in serious financial difficulties. Unless a measure of political order is asserted soon —which seems unlikely—the the danger is one not only of lost commercial opportunities and cancelled orders but also of the non-payment of debts.

A British-made Chieftain tank in the streets of Tehran this month. The Shah's £1bn order for more recent models is under the axe.

Bonanza is over

In recent years defence spending has taken up nearly a quarter of Iran's budget. Slashing it would have been a priority of any regime succeeding the Shah's. The extent to which it does so remains to be seen. A non-aligned Iran will continue to have military requirements and a military elite, demanding equipment. But the bonanza, enjoyed mainly by suppliers in the U.S. and Britain, is certainly over. Cancellation ofo rders up to $15bn, already foreshadowed, will have a profound impact.

In absolute terms the blow will fall hardest on the U.S.—a cynic might say appropriately because it was President Nixon who in 1972 stimulated the Shah's appetite for sophisticated weapons partly to enable Iran to play a regional "surrogate" role in western defence, and partly to keep the production lines of the U.S. arms industry employed. The probability is that orders worth rather more than $8bn will be cancelled including $3.2bn for F-16 fighters manufactured by General Dynamics, $1.1bn for the Boeing Airborne Warning and Control System (AWACS) aircraft, and Lytton systems for two Spruance destroyers worth over $700m.

Including civilian plant ordered by Iran, the U.S. Commerce Department has estimated that U.S. exporters stand to lose as much as $12bn altogether. Last year U.S. non-military exports to Iran were $3.4bn and arms deliveries in the region of $2bn, a small proportion perhaps of the total, but nevertheless large in relation to official hopes of a reduction of the U.S. trade deficit. The effect on employment will inevitably be great. Two years ago the Labour Department calculated (in connection with legislation against the Arab boycott of Israel) that every $1bn worth of export orders provided 40,000-70,000 jobs.

Britain has won Iranian military orders worth more than £2.5bn since 1972. Much of that is at grave risk. The axe seems certain to fall on the deals for Shir I and Shir Iran Chieftan tanks (worth close to £1bn taking into account spare parts through the 1980s), the tracked Rapier missile (about £400m), the military industrial complex at Isfahan on which Laing and Wimpey are working (£60m), and maintenance and repair workshops at Darud being constructed by Costain's (£50m). Naval vessels being built by Yarrow and Swan Hunter worth £70m are also threatened.

The potential secondary consequences can be seen from the fact that the Chieftans produced by Vickers in conjunction with the Royal Ordinance factory use as sub-contractors Rolls-Royce on the engines, David Brown Gear Industries for gearboxes and transmission systems, Barr and Stroud on laser gunsights, Marconi Space and Defence Systems on the fire control system, and Racal Electronics on the radio systems.

Britain's non-military exports are likely to suffer heavily because they depend to a large extent on technical agreements and equity stakes the future of which must be in doubt. Chrysler UK's sales of kits and components to Iran National have run at over £100m annually for some years. It is the outstanding example of a company exposed in this way. Last month it had to halt production for Iran and lay of 1,500 workers. Its exports have been accounting for a significant part of British exports to Iran. Last year British merchandise exports to Iran came to £751m, about 2 per cent of total British exports. About one-third of the exports to Iran were of military goods.

France may feel relieved now to have won only a small share in the Persian arms market. Its only major contract in recent years was for a dozen Combattante missile-carrying gun boats, all of which have been delivered. Creusot-Loire is continuing work on two 900 MW nuclear reactors on the Kahun River despite clear indications from Dr. Sharpour Bakhtiar that his Government intends to abrogate the contract worth about $3bn. Hopes of constructing another four planned by the Shah have been dashed.

The nuclear power stations being built by Kraftwerk Union of West Germany are going ahead because they are too far advanced to cancel. In few board rooms can there be as much anxiety about the Iranian convulsion as at Howaldswerke-Deutsche Werft. Its order for six submarines, for delivery in 1980-81, has been described as critical for the shipyard's financial health.

Nor will there be much cheer at the Italian yards where six Lupo class frigates are under construction for the Iranian Navy. Mitsui of Japan has already spent $50m on a $1bn plus petrochemical project in Iran and must be waiting anxiously for news of the intentions of its local partners there.

Iran's debts cast a world-wide shadow. Gold and foreign exchange reserves are understood to remain at a healthy level of $10bn-$15bn (including the crown jewels, arbitrarily valued at well over $1bn whose whereabouts cannot be certain). At the last count by the Bank of International Settlements at mid-1978—well before the crisis—Iran's borrowings from international lenders totalled $7.2bn, of which $2.96bn was due for repayment within a year, compared with Iranian deposits of $6.4bn excluding those with U.S. banks and their branches. The figures may now be of wholly academic interest, especially as far as private money is concerned. Chase Manhattan last month won a qualified vote of confidence for a loan outstanding to the state-controlled Industrial Credit Bank of Iran, in that 50 banks did not declare an immediate state of default. Two other loans await a decision shortly by the lenders: the result may be the same, in spite of growing delays in payments from the Iranian central bank. None at all have been received in the last week or so.

Earlier this week Dr. Pirasteh, the Iranian Minister of Finance, said, "we are a responsible nation and we shall respect our commitments in all areas." It is almost inconceivable that any Iranian Government—even an "Islamic Revolutionary" one led by the Ayatollah Khomeini—would wantonly dishonour its obligations.

But the possibility of major debt default and the need to reschedule loans looms larger by the month as oil production stagnates at a level below Iran's needs. When running normally it provided 98 per cent of export earnings and 78 per cent of state revenue.

The slump in output has not only denied a nation its livelihood but also deprived the non-Communist world of 10 per cent of its oil supplies. There lies the biggest threat. Iran's political paralysis and economic breakdown is in danger of precipitating a severe energy crisis.

MEN AND MATTERS

Lashing out at Enoch

Enoch Powell will be feeling a chill wind from one edge of his constituency in Ulster. He sits in the Commons for South Down, and the fellow-Unionist for North Down yesterday let fly a torrent of invective against what he calls the "Powell gang of seven."

The North Down member is James Kilfedder. He has held the seat since 1970, and has long been at odds with the rest of the party. Recently the leader, Harry West, asked Kilfedder to stop abusing his colleagues. I hear that he has now responded with a fierce unrepentant letter that refers 11 times to the "Powell group."

Kilfedder touches on a sensitive point: Powell is not an Ulsterman, and many Protestants have doubts about his real involvement in Northern Ireland's destiny. The Unionists are now expected formally to expel their maverick. How much support his outburst will draw from the rank and file is still to be seen. But his massive North Down majority ensures that he will be nagging away at the "Powell gang" for a long time to come.

"If the wife can't get a tachograph into my cab the EEC doesn't stand a chance!"

King not an ace

The need for western diplomats to improve their understanding of Islam is well illustrated by an alarming insight into U.S. efforts to stave off the downfall oft he Shah. It serves as a harsh sequel to the account in this column of a Tehran party at which the centrepiece was a cake bearing the comment of American ambassador William Sullivan when he was present at the fall of Laos—"We've lost better countries than this."

The story begins in Washington, two months ago. A top-level meeting about the mounting Iranian crisis was addressed by Richard Helms, former CIA director and Nixon's ambassador in Tehran. His scheme to save the day was to ask King Hussein to go to Paris and intercede with Khomeini, claiming that the Ayatollah would listen to the Hashemite monarch because as a descendant of the Prophet Mohammed he was an Imam.

Also at the meeting—and dumbfounded by the suggestion —were Henry Precht, the Iran desk officer at the State Department, and James Akins, former U.S. ambassador to Saudi Arabia. Asked by Helms what he thought, Akins explained with some embarrassment that descendants of the Prophet are "sayeds"—and that while all Imams are sayeds, not all sayeds are Imams.

Akins also told the perplexed audience that Hussein is a Sunni Muslim, whereas Khomeini is a Shi'ite—a matter of great import if you happen to be one or the other.

Unperturbed, Helms retorted that anything was worth a try.

Although the exact chain of events in Washington remains unclear, Hussein went to Paris soon afterwards. But Khomeini refused to meet the Shah's fellow-monarch—and representative of a rival branch of Islam to boot.

Squaring accounts

A battle-call to accountants was sounded yesterday by Sir Kenneth Cork, Lord Mayor of London and a leading member of the profession. "You know, we accountants are a much misunderstood lot," he begun. Sir Kenneth told his audience — members of the Institute of Chartered Accountants — to "walk tall" and to give up so much "introspective soul-searching" because of attacks by the press and pressure from the outhiritles.

He went on: "Heaven alone knows, few enough of the journalists making these attacks have any real idea of what they are even talking about. Some or most of them are younger than our articled clerks."

Come, Sir Kenneth. We may look fresh-faced and innocent, but a quick piece of research shows that the average age of articled clerks is 22.

Boyle's Law

Brendan Bracken would surely have been gratified to learn that the first biography of him to appear, "Poor, Dear Brendan" by Andrew Boyle, published in 1974, has resulted in a defeat for the Inland Revenue.

The book was awarded the £1,000 Whitbread Award in 1974; and when the Revenue claimed that this sum should be added to Boyle's earnings for tax purposes, he appealed to a special commission and won. Yesterday the Revenue told me that it is still considering whether to go to the High Court. It has 30 days to decide.

The Society of Authors sees serious implications here for their members. Literary prizes now represent big money: the Booker Fiction Prize has recently been jacked up to £10,000, the Wolfson Prize for a work of History stands at £5,000.

If the Revenue decide to throw in the towel, will Boyle celebrate with champagne—or more appropriately, with a pint of Whitbreads?

Cup hopes

Andrew Smyth is going off to Spain shortly—to offer his novel "perch seat" for the 1982 World Cup stadia. At 29, Smyth thinks he may soon be sitting pretty, although he has had to sell his house to keep his company going.

Hope came last week at a crucial moment, with a trial order for 300 seats for bus stops from London Transport. The seats, made from injection moulded structural foam polypropylene, are based on a design by David Goodwin, 26, a former Royal College of Art Student. They fold up to occupy the minimum space, are screwed to the ground and claimed to be vandal-proof.

Cambridge-educated Smyth, formerly development manager for a large furnishing company, asserts that big companies are often to blame for the troubles of small ones. "Suppliers who ran after me once simply did not want to know when I was on my own."

Late developer

From a Hertfordshire school magazine: "It was on February 7, 1812, at a house in Portsmouth, tha,t a son was born to the wife of an obscure navy clerk named Dickens. He was christened Charles, but it was not until many years later that he was to become the greatest English novelist of all time."

Observer

ECONOMIC VIEWPOINT

The coming economic crunch

WHAT HAPPENS when the irresistible force of wage push meets the immovable object of a fixed money supply? The short answer is "recession and higher unemployment." How severe will the setback be? More than would be the case if the British Government had explained its financial policies in good time and not put all its eggs in the incomes policy basket.

But the setback will be less severe than it would have been if wage push and the monetary guidelines really were irresistible and immovable. Wages will be affected by market and financial realities to a greater extent than it is fashionable to think. Later this year, there will either be some partial adjustment of the monetary guidelines and the exchange rate to actual wage levels. Alternatively there will be a wage freeze (in my view a mistake) and an attempt to launch a new strategy: or perhaps even a mixture of both.

The immediate result in 1979-80 will be a slowdown of the growth of output and a reversal of the trend by which adult unemployment fell by just over 100,000, or 0.5 per cent, in 1978 to reach 5.5 per cent of all employees. But this unemployment turnround is likely to happen suddenly and unpredictably rather than in the gradual way which economic forecasts, because of their internal logic, tend to predict.

The key jargon expression likely to dominate economic discussion in the next few months and years is "less than completely accommodating," and I would set aspiring economic writers an essay on the meaning of these words. They were first launched on the world in the January Public Expenditure White Paper in connection with the famous three cases of 5, 7 and 11 per cent annual growth of earnings up to 1982.

The economics of that section were pretty fair nonsense — not because they were "too optimistic;" but because they assumed that rates of wage and price inflation were chosen by unions at random and had nothing to do with monetary policies, even in the longer term. But what was important was the idea that a burst of wage increases such as the present would neither be completely financed as was normal postwar practice; nor would they come up against a predetermined iron monetary limit. Instead there will be a partial adjustment of money to wages. Similarly cash limits will neither accommodate all the rise of public sector wages nor be treated as absolutely binding. The exact compromise between accommodation and monetary limits will be decided according to the pressures of the movement; and leaving unions and employers to guess is part of the bluffing game which is the present substitute for Keynesian economics.

Inexact

Historical analogies are always inexact. But there is a partial one, not with the much cited wage explosion of 1974-75, but with the Heath Government's experience in its first two years from 1970 to 1972. That Government inherited from Mr. Roy Jenkins, the Labour Chancellor, fairly strong monetary restraints, but also a wage explosion. When unemployment rose in the winter of 1971-72 by more than the official forecasts predicted, the Government panicked and poured money into the economy through public spending increases, tax cuts, bank lending and in every other way it knew, while leaving inflation to be dealt with—or rather not dealt with—by direct controls.

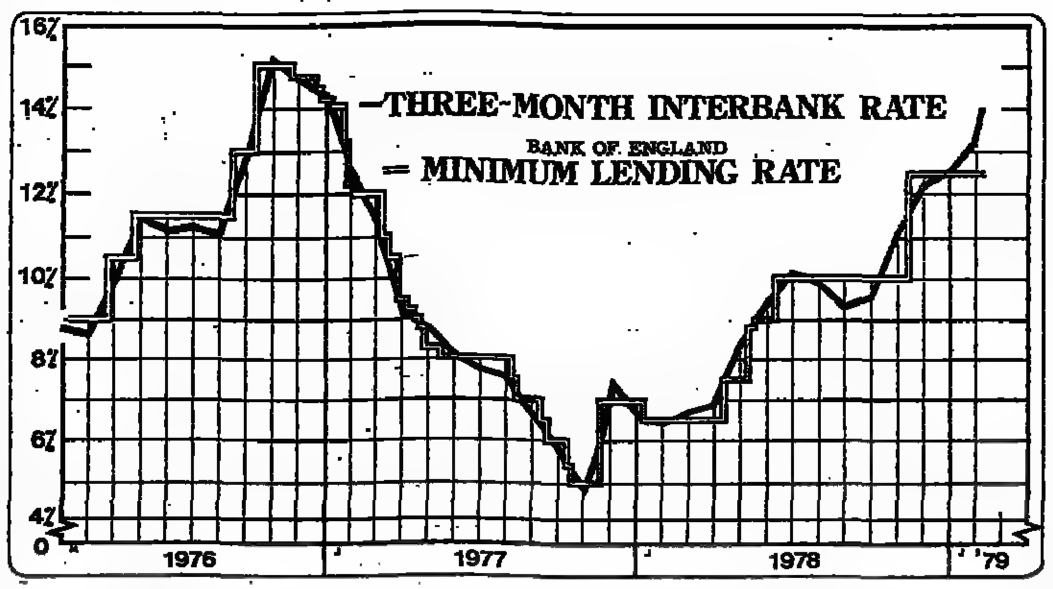
We shall never know what would have happened if the Heath Government had sat tight in the face of some very ugly industrial pressures. But we do know that its pump priming had only a very short term effect on unemployment, *which after an initial drop in* 1972-73 soared in the middle 1970s to a level nearly 500,000 higher than in the worst of the 1971-72 recession.

One difference between then and now is that no Government today is likely to respond to rising unemployment with a massive monetary and fiscal stimulus. There is also unlikely to be the sharp fall in sterling which occurred after the floating of the pound in 1972—partly because of today's tighter monetary stance, but also because North Sea oil is expected to boost the current account by over £1.2bn this year.

The struggle which has been taking place among ministers about whether to permit the Bank of England to raise its Minimum Lending Rate (MLR) is to be seen in this context. Mr. Gordon Pepper pointed out in the January Greenwell Monetary Bulletin that companies in the private sector have to battle against:

(a) Lower profit margins due to a strong pound;
(b) The cost of high wage settlements;
(c) The cost of strikes and disruption; and
(d) The planned extension of price control.

But to struggle against an increase of MLR (a course not recommended by Mr. Pepper) is simply to fight symptoms. The interest rate structure is already rising, as can be seen from the movement of the interbank rate. The only question about MLR is whether it will rise today or very soon thereafter. The January and February money supply figures, which the Treasury has for some time expected to be "erratic" the wrong way, give the authorities little time in which to act. To abandon control of the money supply at this point would sink sterling in spite of North Sea oil, aggravate inflation, and in the not-so-long run take interest rates to yet higher levels.



The main technical reason why interest rates have already had to rise to penal levels is that the Chancellor took a risk in increasing his borrowing requirements from an outturn of £5.5bn in 1977-78 to an estimated £8bn in the current financial year. That risk has not come off. The fiscal boost merely accentuated the tendency for the benefits of North Sea oil to be taken out in yet another temporary consumer-led boom. Mr. Healey now faces the task of cutting the Public Service Borrowing Requirement (PSBR) if he is to finance it without either a monetary explosion or even more penal interest rates. Friends of the private sector or of industrial investment generally should concentrate on getting the 1979-80 PSBR down, rather than on a losing battle with the Chancellor and the Governor over week-to-week monetary tactics. This means putting on ice the White Paper plan for a 2¼ per cent increase of the volume of public spending which Britain can no longer afford. This should be done explicitly and not just through the cash limit back door. It also means an actual increase of, as well as the indexation of, indirect taxes.

There are innumerable different approaches to assessing the precise severity of the forthcoming economic slowdown. At one extreme, there are forecasts circulating showing higher real growth as a result of higher wages and a strong pound together boosting consumer spending. At the other end are those who say that if money wages rise by 16 per cent an dthe money supply by 12 per cent there will be no real growth and a menacing rise of unemployment, even allowing for some increase in velocity. The longer leading indicators of the Central Statistical Office have been pointing downwards for 1½ years. The industrial production index suggests that the 1978 boom was already petering out by the end of the year; but the continued rise of vacancies up to January suggests that the demand for labour is still strong and that supply factors have contributed to the production slowdown.

There may well be some temporary boost to output early this year from higher consumer incomes, which could be enhanced by a pre-budget buying spree once people catch wind of the likelihood of higher consumer taxes. But this is unlikely to last long. The upturn of commodity prices and a growing oil shortage, together with tax and wage increases and the increased cost of domestic services (such as road haulage) will tend to put the increase of the consumer price index into double figures, even at an unchanged exchange rate. So the rise in real personal disposable income is likely to be much smaller than in 1978 and there is also the chance of a precautionary rise in savings. But most important of all will be the increasing squeeze on company profits and corporate liquidity due to the combination *of higher wages, a strong pound,* and larger and more expensive financing. A pruning of investment plans, and of stocks, and an attack on overmanning seem likely later on this year. Thus the pattern looks like being one further spasm of consumer led expansion early in 1979, followed by a severe slowdown, if not an actual slump later in the year and in 1980.

How did we get into this mess? My own emphasis would not be on the Chancellor's miscalculation of the PSBR, on which he had as many different pieces of advice as there were economists to consult. It would be on the much greater political error that Mr. Callaghan and Mr. Healey made, with plenty of official encouragement, in supposing that they could follow up the near-miraculous "success" of two years of emergency pay control with two further stages. Even the most fervent advocates of incomes policy would themselves insist that if such controls are to last for more than a brief emergency, they must be put on a permanent and coherent basis rather than extended year to year in an ad hoc way. In Stage Three the Government erred with a 10 per cent norm, which was too high and became a floor. In Stage Four it erred with a 5 per cent norm which was regarded as so low as to be a provocation. The Government's real error was not failing to find some miraculous figure which would have done the trick, but in supposing that it could make a stop gap into a way of life.

The worst mistake of all was the way in which the Prime Minister and the Chancellor pursued their monetary and exchange rate policies by sleight of hand without explaining their intention or purpose to popular or union audiences. Indeed, so far from stressing that the money supply was "not there" to finance a runaway increase in wages, many ministerial *speeches presented the punish*ment theory of taxation and of monetary policy. They suggested that monetary and fiscal limits were dreadful policies to be resorted to only if pay controls broke down, while the truth was that they were there anyway.

This involved a quite cynical, deliberate and largely successful attempt to make the word "monetarist" a term of abuse on the Left by ministers who themselves pursuing monetarist policies. Indeed, the use of the punishment theory of financial policy marred what was otherwise a thoughtful and important speech by Mr. Joel Barnett, Chief Secretary to the Treasury, on Tuesday night.

The result is that most of the potentially favourable effects of monetary limits on inflationary expectations and union views of the going rate of wage increases have been thrown away. Instead we have been landed with all the unfavourable transitional *effects of monetary restraint* on output and employment. Intending to make bogeymen of others, ministers have now become themselves the scapegoats of an aggressive and somewhat unreasonable public opinion.

Political leadership is not a substitute for the correct underlying policies. But good leadership can bring forward the favourable effects of such policies, while bad leadership can retard the favourable effects and prolong *the transitional agonies.* With the exception of Mr. Macmillan's handling of retreat from the Empire, we have not had good peacetime leadership in living memory.

Samuel Brittan

Letters to the Editor

The law on picketing

From the Director-General, British Institute of Management.

Sir, — Whatever the rights and wrongs of the respective claims and potential settlements at the centre of the recent outbreak of industrial strife, the transport strikes and now the *public service workers'* dispute — one issue has become predominant: the role of the picket.

This institute will shortly be publishing the views of its members on this subject, which it has just submitted to the Department of Employment in response to a government discussion paper. We believe that the current civil law in respect of picketing should be reviewed urgently and that it should be amended and clarified and backed by an agreed code of practice.

The current situation is in no one's interests, least of all that of rank-and-file trade unionists whose democratic rights become imperilled when the reputation of the trade union movement falls into disrepute. Equally serious, of course, is the impact of all this strife on society, innocent parties (and, in some cases, sick and disabled children in hospital) and the national economy. People generally have been shocked by the callousness of it; meanwhile the hard-pressed manager has to try to keep production and distribution moving against these unequal and wholly unjustified odds. It is due to their ingenuity that the number of lay-offs have not been worse.

BIM members are, therefore, pressing for urgent government action including a review (and amendment, where necessary) of the law as it stands, particularly civil law, followed by the introduction of a Code of Practice on picketing, to be drawn up by government, the CBI, the TUC, this institute and the Advisory, Conciliation and Arbitration Service.

The immediate objectives behind these measures should be to limit the numbers of pickets; to clarify the authorisation and identification of pickets to restrict picketing to those directly involved in the dispute; and to restrict picketing to establishments directly associated with the dispute.

We hope that action of this kind can be supported by all political parties and that it will provide protection against post-strike threats. In other words, there must be no victimisation.

Roy Close.
Management House,
Parker Street, WC2.

Leadership in trade unions

From Mr. F. Farmer

Sir,—Many people are under the impression that the only purpose of the unions is to negotiate wage settlements or failing settlement to involve their members in industrial action. Important though wage bargaining may be, the large funds accumulated and the many personnel *engaged in* union activities, should surely be put to some additional and constructive use for the benefit of their members.

It would be interesting to know the attitude of union leadership to the following areas where they might become involved, or more involved than they are at present: conferring with management on ways of improving productivity to the ultimate benefit of both employer and employees; to say nothing of the economy; monitoring working conditions and ensuring they are above the minimum standards required by law—this applies particularly to *minority groups within unions;* assisting older members by forming centres, in conjunction with local authorities, to educate them for retirement; taking a mere active interest in the training of younger members—particularly in the engineering industry, and following their progress; and establishing a centre or centres to assist workers made redundant, to find other work and relocate where necessary—this need not conflict or duplicate the work of the Department of Employment but would function on a more personal basis.

Should such items be desirable, then it is up to the TUC to show some qualities of leadership and ensure implementation by strong, forward looking, local union officials. It is beyond dispute that, with few exceptions, the whole trade union movement in this country is out of date, and it is equally true that most of the larger unions are out of touch with their membership.

The sooner the TUC wakes up and makes plain its objectives other than that of wage bargaining (although much could be done here, as your leader of January 31 suggests), the better for us all. There would then be more opportunity for shop stewards to justify their position on the shop floor and less for the powerful minority within their ranks to disrupt both manufacturing and service industries whenever they think fit.

F. P. Farmer.
Wendover,
Highwold,
Chipstead, Surrey.

Lloyd's old building

From the Chairman, Save Britain's Heritage

Sir,—*Mr. T. Langton* (February 2) asks me to produce "some constructive and helpful suggestions to solve the problem of combining . . . preservation with forward-looking concepts of the present and future needs of the market." We are happy to accept this invitation and ask only that Lloyd's provides us with plans of the old and new buildings and a brief stating their accommodation requirements.

Marcus Binney.
3, Park Square, West, NW1.

Targets in the state sector

From the Director, Economic Affairs, Chemical Industries Association

Sir,—We have sympathy for the view of the Gas Corporation (*February 1*) that the Treasury target of 6½ per cent on turnover is too high. In its industry, a single major raw material is bought in at 3p/therm, and sold, unchanged except for being at a lower pressure, to industrial customers at around 15p/therm. While it should not be too difficult to achieve a 6½ per cent profit on sales involving a mark-up of 80 per cent (calculated on the selling price), we do wonder, as customers, why a smaller mark-up, and a smaller margin on sales, should not be considered proper. And, moreover, we hope that any margin of profit over and above the target finally adopted will be directed towards lower selling prices, rather than given away to staff as profit-sharing bonuses, as was recently suggested.

P. G. Caudle.
Alembic House,
93, Albert Embankment, SE1.

Sympathetic banks

From the Director, Banking Information Service

Sir, — John Elliott and Michael Lafferty created a myth on January 29, which has unfortunately spread, to the effect that banks had been officially asked to ease companies' short term cash problems arising from strikes. This is not so. Banks have seen these problems before, and will react as sympathetically as they usually do.

J. A. Hunsworth.
10, Lombard Street, EC3.

Delivery dates

From the President, British Chamber of Commerce for Belgium and Luxembourg

Sir,—As president of the British Chamber of Commerce for Belgium and Luxembourg, I have often participated in campaigns in both countries to promote British exports. It could be argued, however, that such campaigns should be conducted in the UK, not abroad.

Belgian and Luxembourg importers would happily buy British goods if they could get them, and get them on time! In the words of your recent contributor, Mr. John De Bruyne (January 31), "The recipe for success is the same in Britain as everywhere else. Simply ensure that your product can meet or exceed the best international standards of design, quality and style and then move heaven and earth to honour your delivery dates."

M. Goodman.
Britannia House,
Rue Joseph 11, 30
1040 Brussels.

Premium bonds

From Mr. N. Wilson.

Sir,—Here are two sets of figures relating to my wife's and my own joint Premium bond holdings.

The first set, an average of £2,349 eligible bonds held from the beginning of November, 1973, until mid-May, 1976 (30.5 months or 2.54 years), yielded one £1,000, six £50 and eight £25 prizes: a total of £1,500. The average yearly yield was £590, the percentage average yearly yield 25.1 and the average number of prizes yearly 5.9. Excluding the £1,000 prize—such a win is much less likely than a £25 one—the respective figures become £196.7p, 8.4 per cent and 5.5.

The second set was an average of £3,976 eligible bonds held from mid-May, 1976, until the end of December, 1978 (31.5 months or 2.62 years). This yielded one £50 prize and three £25 prizes or a total of £125. The average yearly yield was £47.6p, the percentage average yearly yield 1.2 and the average number of prizes yearly 1.5. The total (all inclusive) yield during the 5.16 years the two sets of figures span was £1,625 and the average percentage yearly yield was 9.9.

Excluding the £1,000 prize in the first set, the total yield, the average yearly yield and the average number of prizes yearly are about four times their counterparts in the second set. The percentage yearly yield on our capital in the first set is even seven times the corresponding figure in the second set. Why should this be? Either the Bond Office was too lavish with its prizes before mid-May, 1976, or too stingy after it.

Mid-May, 1976, is about the time when the Bond Office began to reorganise and computerise its operations; hence the first set of figures is wholly within the period of unregenerate operations and the second set within the regenerate one. From the beginning of November, 1973, until the end of December, 1978, the Bond Office ostensibly varied only slightly the key figures for the chance of winning any prize at all in a month 1/10,800 or thereabouts) and for the interest on the total capital the public has invested in premium bonds—5 per cent plus. Yields from large premium bond investments differ from one short period to another, but for periods of 2.5 years and more (excluding prizes exceeding £100 from consideration) average yearly yields should be roughly comparable.

My wife and I increased our joint holding to £5,500 on January 1 as, until mid-May, 1976, we had done well out of our winnings and even until the end of last December our average investment of £3,176 had returned us 9.9 per cent yearly tax-free. If, however, the regenerate Bond Office is to continue into 1979 and later *years the rate of return in the* second set of figures we shall be mugs not to move our money elsewhere even though we shall have to pay tax on the interest from it.

N. W. Wilson,
23, Harvey Road,
Worthing,
Sussex.

Index-linked pensions

From Mr. R. Marshall

Sir,—Perhaps an equitable way to limit the burden of index-linked and transferable public sector pensions on the taxpayer would be to introduce a surcharge on any indexed pensions in excess of £2,500, which is the present threshold for investment income surcharge on personal savings invested to fund retirement. If there really are few such public sector pensions, there would be few votes lost by such a measure.

R. C. Marshall.
25, Daneswood Close,
Weybridge, Surrey.

Today's Events

GENERAL

U.K.: Full executive meeting of the National Union of Mineworkers to consider marginal increase in National Coal Board's 3.5 per cent pay offer.

BL meets car workers' unions to discuss pay parity.

Confederation of Shipbuilding and Engineering Workers meet, Imperial Hotel, London.

TUC Steel Committee meets British Steel Corporation.

Sir John Methven, CBI director-general, speaks at British Industrial Measuring and Control Apparatus Manufacturers' Association lunch, Cafe Royal.

Prince of Wales attends board meeting of Commonwealth Development Corporation, 33 Hill Street, W.1.

Miss Lauren Bacall at Foyles Literary Luncheon, Dorchester Hotel; personal appearance at National Film Theatre, 8.45 pm.

Overseas: M. Raymond Barre, French Prime Minister, arrives in Ottawa at start of Canadian tour (until February 13).

Special meeting of Israeli Cabinet to debate economic policy.

Spanish bank employees strike.

Nicaraguan Finance Ministry and central bank officials meet U.S. banks to seek debt relief.

Secretaries-general of Turkey and Greece meet in Ankara for two-day discussion on bilateral problems, including the Aegean continental shelf and air space.

Mr. Deng Xiaping, Chinese Vice Premier, leaves Tokyo for Peking.

International Motor Show opens in Amsterdam (until February 18).

OFFICIAL STATISTICS

Department of Industry publishes provisional January figures of vehicle production.

PARLIAMENTARY BUSINESS

House of Commons: Crown Agents Bill, second reading.

House of Lords: University College London Bill, second reading. Van Diemen's Land Company Bill, second reading. Social Security Bill, second reading. Legal Aid Bill, second reading. Deer Bill, report.

Select Committee: Nationalised Industries, sub-committee D. Subject: Consumers and the nationalised industries. Witnesses: National Gas Consumers' Council, Electricity Consumers' Council, Domestic Coal Consumers' Council.

COMPANY RESULTS

Final dividends: Hill and Smith. Imperial Group. St. Andrew Trust. Tribune Investment Trust. Interim dividends: M. L. Holdings. William Ransom and Son.

COMPANY MEETINGS

Arthur Guinness, Toucan Inn, Park Royal Brewery, NW, 2.45. Hawkins and Tipson, Grosvenor House Hotel, Park Lane, W., 5.30. Serck, Midland Hotel, Birmingham, 12.30 United Spring and Steel, Birmingham Chamber of Industry and Commerce, 75 Harborne Road, Birmingham, 12.

Dowty expands to £14m midway—orders up 50%

IN LINE with the directors forecast of continued growth Dowty Group, whose widespread interests cover aerospace and defence, mining industrial and electronics, reports an advance of £3.07m to £14.12m in pre-tax profits for the half year ended September 30, 1978.

Since the beginning of the current year the order position has changed significantly with an overall increase of 50 per cent mainly for export. The directors report that a large part of the increase is attributable to the mining division which has negotiated nearly £100m of orders from China, against which deliveries have begun.

	First half 1978-79	1977-78
	£000	£000
Turnover	111,089	86,413
Home	80,052	56,583
Overseas and export	31,037	29,830
Trading profit	14,368	11,058
Interest	244	6
Profit before tax	14,124	11,052
Taxation	7,200	5,547
Profit after tax	6,924	6,505
Dividends	1,662	1,436
Retained	5,262	4,069

They say that prospects for the rest of the year are encouraging and under normal circumstances they can look forward with confidence to considerable further growth next year. However, this will be dependent upon a reasonable resolution of the industrial unrest the country is experiencing.

Despite a substantial capital investment programme to provide growth and economic production, the directors state that projected financial resources are adequate to meet these requirements.

Turnover in the half year shows a rise from £86.41m to £111.09m and based on a trading profit of £14.37m (£11.06m) margins are 12.9 per cent (12.8 per cent).

See Lex

Benn Bros. slip to £370,000

TAXABLE profits of Benn Brothers, business journal and directory publisher, slipped from £416,600 to £370,400 in the six months to December 31, 1978.

Mr. Richard Woolley, chairman of Benn Brothers

Mr. Richard Woolley, chairman, points out that a substantial fall in income from investments, because of the inclusion in last year's figures of unusually high profit on investment realisations, more than accounts for the fall in profits.

He adds that during the half year buoyant revenue has meant increased contributions from publications, in spite of continuing investment in long-term development. Turnover for the period was £4.13m (£4.77m).

After tax of £192,600 (£211,000) and an extraordinary credit last time of £26,250, net profit comes out at £177,800, compared with £231,850.

Mr. Woolley adds that the outlook for the year remains satisfactory provided the repercussions of the present national industrial disruption do not prove unduly severe.

The interim dividend is raised from 0.8p to 0.9p net per 25p share. The total for the whole of last year after pre-tax profits of £715,000 (£758,000) was 2.36565p.

Earnings per share are shown down from 3.07p to 2.33p before extraordinary items and at 2.33p (3.46p) after extraordinary items.

G. B. BRITTON

G. B. Britton and Sons (Holdings) has purchased in the market for cancellation £297,000 of 9½ per cent debenture stock 1990-95, at a cost of £228,451.

Following this, the amount of stock still issued amounts to £879,000.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Benn Bros. ....int.	0.9	Apr. 6	0.8	—	2.37
Colonial Secur.	8.5	Apr. 3	5.6	9	8.1
Dewhurst Dent	0.6	Apr. 27	1.64	0.6	1.69
Dowty ....int.	2.5	Mar. 30	2.21	—	4.47
English & New York ...	1.75	Apr. 19	1.55	3	2.6
Hillards ....int.	‡2.0	Mar. 23	1.0	—	4.93
Int. Inv. Tst. of Jersey	3½	Mar. 30	2½	5	4
F. Pratt	3.53	Apr. 7	3.16	5.37	§4.86
SAI	7.5	Apr. 2	7	12.5	12
Sterling Tst.	4.1	Apr. 7	3.6	6.3	5.3

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. § Additional 0.0479p for 1977/78 included.

British Land stages turnround to £0.3m

A TURNROUND from a loss of £2.02m to a pre-tax profit of £255,000 is announced by The British Land Company for the half year to September 30, 1978.

The Board says the latest half-year profit shows that the group is operating overall on a firm footing which can be expected to continue.

The pre-tax figure was struck after interest charges reduced from £8m to £6.88m. After tax of £137,000 (£65,000), the attributable profit comes out at £118,000, against a deficit of £2.09m.

There is again no interim dividend. The last payment was 0.875p net per 25p share for 1973-74.

The Board says the worth of the asset base has considerably increased as a result of the rise in values of the retained portfolio and new assets. The group will enjoy the full benefit of this in the next financial year.

It adds that gross rentals for the half-year were £6.8m (£7.4m) in spite of property disposals of £15.1m. New lettings and rent reviews signed since August 1978 will increase rental income by £0.85m a year.

Borrowings are £127m, including finance for recent acquisitions, and the impact of higher short-term interest rates is much less significant than previously. Sales completions expected by March 31, 1979, will eliminate the £1.6m realised capital deficit on property disposals incurred in the first half, and further reduce loans.

● comment

● British Land has made a profit in the first half and seems fairly confident that it will remain in the black in the second, notwithstanding the fact that interest rates have risen over 50 per cent since September. The company insists that it is now far less vulnerable to high short term interest rates and although there is a gap of 10 per centage points between prime property yields and the return on long dated gilts, property prices have held up surprisingly well so far. There is a slim chance that the company will restore the dividend this time round—but it is more likely to be next year. In the meantime, the price of 47p is underpinned by a fully diluted asset value (according to outside estimates) of around 90p per share.

Pick up by Dewhurst Dent

TAXABLE profits of Dewhurst Dent, glove manufacturing and warehousing group, picked up in the second six months, as indicated at mid-way, But the full year total to July 19, 1978, emerged lower at £489,902 compared with £624,091. The half-time result was down from £453,486 to £202,896.

The directors say trading in the first six months of the current year has improved and they expect that results will be better than those for the preceeding full year.

Turnover for the 1977-78 year rose some £1m to £18.34m., and profits were struck after associate losses of £15,000 (£40,000).

Stated earnings dropped from 2.8p to 1.71p per 20 share, while following no interim payment, a 0.6p net final compares with the previous year's total of 1.694p.

Attributable profits declined from £258,705 to £73,513, after tax of £302,899 (£344,341), minorities and an extraordinary debit of £73,865 this time.

High money cost trims UDT to £8.5m midway

DESPITE THE impact of the increased market cost of money and the constraints of the "corset," United Dominion Trust, the international banking and finance group, came close to maintaining its pre-tax profit in the half year ended December 31 1978. At £8.5m the profit compares with £9.1m for the corresponding period of the previous year.

Mr. L. C. Mather, the chairman, says that the group's inherent strength has benefited from the sale without loss of the German subsidiary—relieving it of relatively substantial contingent funding liabilities—together with the repayment last month of the Swiss Francs 50m 8 per cent notes issued in January 1974 with a consequent reduction in currency exposure.

The group has also reduced appreciably its dependence on funds provided by the support group. Progress has also been made in reducing the property lending portfolio which now stands at £60m, says the chairman.

After tax of £1.9m (£3m) and minorities and allowing for extraordinary items down from £2.7m to £1.3m profits emerge at £5m compared with £2.9m. Extraordinary items includes a reduced net deficit of £1.6m compared with £3.4m on realignment of currencies.

Commenting on general trading Mr. Mather states that while growth of business at home had to be restricted to comply with the constraints imposed by the "corset" the intake of fresh instalment credit business has been satisfactory. Benefits derived from this trading have, however, been diminished by the increase in the cost of money.

The chairman points out that the group is still subject to the burden of unpaid interest on a steadily reducing portion of the property lending portfolio. However, the rest of the advances are granted at rates which vary with the market price and so help to reduce the adverse effect of high money costs on established fixed rate instalment credit commitments.

The group profit before tax for the year ended June 30, 1978 amounted to £17m. The last ordinary dividend totalled 3.82p in respect of 1973-74.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals, and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Elbief, M. L. Holdings, William Ransom, Town and City Properties, Watshams.

Finals—Debenture Corp., General Funds Investment Trust, Hill and Smith, Imperial Group, St. Andrew Trust, Tribune Investment Trust.

FUTURE DATES

Interims—	
EMI	Mar. 1
Elcco	Feb. 21
Electronic Machine	Feb. 12
Perkin-Elmer	Feb. 12
Throgmorton Sec. Growth Tst.	Feb. 14
Finals—	
Anglo-American	Feb. 14
Beaumont Properties	Feb 13
City Offices	Feb 20
General Accident	Feb. 28
Koda International	Mar. 7
Moorside Trust	Feb. 14
River and Mercantile	Feb. 15
River Plate and General	Feb 15
TACE	Feb. 21

Hillards first half profit held despite Capital Discount loss

HIT BY trading losses of £275,000 on the Capital Discount store operation, which is now in the process of being closed down, pre-tax profits of Hillards, the supermarket group, emerged virtually unchanged at £1.18m in the 28 weeks ended November 11 1978, compared with £1.15m for the corresponding period of 1977.

When the Capital Discount closure was first announced in January the directors said that the group's traditional supermarket and store operation would show a substantial increase in profits and that the result for the first half of 1978-79 for the group as a whole would exceed that of the corresponding 1977 period.

Mr. Gordon Hunter, the chairman, states that following a reappraisal of the 17 Capital Discount stores in London and the south-east it became clear that the initial trading loss would continue at a higher rate and for a longer period than had been budgeted.

The operation will be closed before the end of next month. The leases of ten stores have been sold profitably and negotiations are in hand for the leases of the remaining stores and the warehouse.

Turnover in the period showed a rise from £40.91m to £53.82m including £6.1m in respect of the Capital Discount operation. The directors point out that sales in the Hillards stores in the 28 weeks have shown volume gains and since then have been encouraging.

A lease has been signed and building work has started on a large store at Oldham. Four other stores are currently being built, and altogether the five stores will add over 130,000 square feet of selling space within the next 15 months.

The directors are confident that the benefits of the current development of new superstores will be reflected in the group's progress in the next two years.

As forecast the interim dividend is being doubled to 2p to reduce disparity—the total for 1977-78 was 4.93p paid from profits of £2.3m.

	28 weeks 1978	1977
	£000	£000
Turnover	53,821	40,908
Trading profit	1,015	965
Interest received	161	185
Profit before tax	1,176	1,150
Taxation	410	44
Net profit	766	1,106

● comment

Hillards' first half profit rise has been almost wiped out by losses at Capital Discount, where sales have not reached budgeted levels. Discount stores stocking limited ranges are not the success in the south-east that they are elsewhere in the country, so the group has decided to shut up shop rather than bear losses indefinitely. Excluding CD, the picture is completely different. Profits show a one third increase while trading margins at 2.7 per cent (2.4 per cent) are marginally above the food retailing sector in general. But while Hillard appears to be holding its own, there are no signs that trading conditions are getting any easier. There will be increased overheads in the second half while the lorry driver's dispute will have an effect. Overall, around £2.7m pre-tax looks possible for the year, but a higher tax charge, reflecting the slowdown in food price inflation, will trim earnings. At 22p the shares stand on a prospective p/e of 7.3 while the yield, at 3.7 per cent, is nearly six points behind the sector average.

G. R. DAWES

Mr. E. R. Jeyes, liquidator of G. R. Dawes Holdings, says the agreement of outstanding tax liabilities makes it impracticable to forecast the outcome of the liquidation, or the timing of its completion.

The winding up of the company is progressing. Distributions during the first year to December, 1978 have totalled £1.60 per share.

Mining Supplies jumps £0.8m and further advance expected

A JUMP in pre-tax profits from £373,000 to £1.22m is reported by Mining Supplies for the six months to October 28 1978. And the chairman says that given a stable industrial climate he expects the group to improve further in the second half.

He adds that there has been a marked increase in exports of mining equipment, in particular to the U.S. and Canada.

Action has been taken to meet the increasing demand in the U.S. A company has been incorporated, American Longwall Mining Corporation, and plans are well advanced towards setting manufacturing and office premises in Virginia, for completion this year.

After the depressed half-time profits last year the group picked up to turn in taxable profits at the year end of £1.84m, against £1.75m.

A one-for-one scrip issue is being recommended. A single dividend of 1.24723p (1.1p) net per 10p share was paid last year.

Sales for the period under review were up from £7.3m to £9.78m and tax rises to £659,000 (£215,000). Profit was struck after depreciation of £377,000 (£283,000).

● comment

MINING SUPPLIES' 227 per cent interim profit jump is exceptional and not indicative of the likely final figure. Last year the full year turned in a profit of £1.84m and 1978-79 will probably produce about £2.8m—a more modest 52 per cent gain. The group's current strength is its links with the Yorkshire coal pits. There has been a bit of a drop in new investment activity by its major client, the National Coal Board, but as it is involved in day to day sales rather than capital expenditure items it will not be significantly hit. It's future lies in its export business which has grown from virtually nothing to sales of probably £3m for this year. The shares rose 4p to 130p giving a yield of 1.6 per cent prospective and a p/e of 11. The rating fully acounts for short term prospects.

Better trend at SAI but still down at year-end

ALTHOUGH second half pre-tax profits improved £0.14m to £3.02m, Scottish Agricultural Industries, a subsidiary of Imperial Chemical Industries, finished 1978 lower at £4.12m compared with the previous year's record £4.88m. Sales rose from £79.2m to £81.56m.

When reporting a £0.9m slump in first half profits, the directors forecast that some of this shortfall would be offset in the second six months.

Full year earnings fell from £2.42m to £2.23m, after tax of £2.09m (£2.61m) and a £0.19m (£0.16m) transfer from Government grants.

A final dividend of 7.5p net lifts the total payment from 12p to 12.5p per £1 share.

At the year-end, reserves stood at £10.2m (£9.03m) and funds employed were up from £24.99m to £27m.

	1978	1977
	£000	£000
Sales	81,564	79,204
Depreciation	891	707
Profit before tax	4,118	4,877
Tax	2,085	2,614
Net profit	2,033	2,263
Govt. grants transfer	194	155
Earnings	2,227	2,418
Retained	1,171	1,404

● comment

Scottish Agricultural Industries ran back into margin problems in 1978 despite a price increase at the beginning of the year and another at the halfway mark. While sales edged forward by 3 per cent, pre-tax profits dropped by 15.6 per cent and, with no price increase in the pipeline, there is very little immediate evidence to suggest that the return on sales is about to improve materially. Animal feeds did get through to farmers, by and large during the transport strike, and SAI will take a full 12 months benefit from the new straight nitrogen fertiliser plant against only six months last time. The seed and horticultural merchanting activities are said to be progressing well but the static fertiliser market still provides well over 50 per cent of group profits. The chief prop for the shares, down 3p to 180p, remains the 10.8 per cent yield.

RFD chief to resign

Mr. Alexander Craig, managing director of RFD Group, the manufacturer of inflatable products and military software, is to resign from the Board of the company over a matter of principle.

He explained that it was nothing to do with current trading, future trading, or company policy. While things were "not going through the roof," he added that he was "reasonably optimistic about the next twelve months.

"It is a perfectly amicable parting. I am not walking out, but I took a line which the Board disagreed with."

The matter of principle is understood to be over a domestic affair in one subsidiary.

Mr. Craig, 33, said that he would be carrying on at RFD with the full agreement of the board "until a replacement is found."

The shares of RFD were unchanged at 58p yesterday.

F. Pratt second-half recovery: steel side to be closed

A SECOND half increase to £600,260 against £416,046 lifted taxable profits of F. Pratt Engineering Corporation from £860,692 to £966,639 for the year ended October 31, 1978. Turnover was ahead from £14.58m to £16.92m excluding sales of the constructional steel division, the companies of which are to be closed because of continuing losses: Provisions of £967,900 have been made.

Last July the directors in their interim report which showed a downturn in profits from £444,646 to £366,379, said that the improvement seen the previous January was evident in all divisions except constructional steel, and that losses here were no longer acceptable.

They now say that the profitable trend in the other divisions continued during the second half and they are confident the revised structure of the group gives a firm base for future growth.

But, in the current circumstances of industrial unrest and the possibility of rising inflation, they feel it is not practical to forecast how these factors will effect the group's trading performance.

Trading losses of the year and estimated provisions for losses and closure costs in the current year of the constructional steel division, are given as £967,900 compared with a restated £151,177 for 1976/77. This has resulted in a £498,859 transfer from reserves (£405,407 transfer to reserves).

The dividend fo the year is stepped up to 5.3735p with a final payment of 3.5344p net per 25p share. An additional 0.0479p is also announced, for 1976/77, on the reduction in ACT lifting last year's total to 486p.

The directors report that as at the year end the group's order book stood at £6.8m (£6.7m) for the continuing companies.

	1977-78	1976-77
	£	£
Turnover	16,922,401	14,580,401
Trading profit	1,867,516	1,621,248
Depreciation	386,313	341,056
Interest	514,564	419,597
Profit before tax	966,639	860,692
Tax	241,645	58,908
Net profit	724,994	801,784
Minorities	42,231	79,841
Extraord. debit	7,450	65,907
Attributable	759,775	815,718
Dividends	290,734	259,134
Provisions and losses*	967,900	151,177
From reserves	498,859	†405,407

* Related to constitutional steel companies. † To reserves.

● comment

Although it was known that Pratt was running down Rectagrid, the decision to close the whole of the constructional steel division has come as a bit of a surprise. Evidently the group has decided to get out before losses start getting out of proportion. As it is Pratt is writing off nearly £1m, which it is taking below the line. The rest of the group has meanwhile performed well with pre-tax profits showing a 12 per cent rise. Much of this is due to the general upturn in the machine tool industry and replacement market, which has boosted the workholding division (around three quarters of group profits). Overall, the market was pleased that Pratt's loss-making activities are now out of the way, and the shares rose 5½p to 71½p for a handsome yield of around 12 per cent.

Sterling Trust pays 6.3p

Revenue available of Sterling Trust came out higher at £1.03m for 1978 compared with £855,243 after tax of £552,257 against £511,513.

The dividend for the year is increased from 5.3p to 6.3p net per 25p share with a final payment of 4.1p.

Gross income was ahead at £2m (£1.78m) and included £1.45m (£1.23m) franked income. Net asset value per share is given as 239p (219p).

BIDS AND DEALS

Guthrie defence—forecasts 40% dividend increase

Guthrie Corporation, one of the largest remaining British-owned Far East rubber and palm oil plantation companies, yesterday rejected Sime Darby's £122m.

The three planks of Guthrie's rejection campaign are:

A revaluation of the group's plantation assets. Net tangible assets at December 31 1978 are estimated to be 628p per ordinary share which compares with Sime's offer of 425p per ordinary share.

● A profit forecast for the year 1978 will reach £20.3m (an all time record) compared with £19.7m.

An increase in net dividend of 40 per cent. A final dividend for 1978 of not less than 15p net per share making a total dividend of "not less than 21p net per share" (gross equivalent 31.34p.

Sime's offer, described as "wholly unacceptable," is said not "to be in the best interests of the Corporation or its employees and that the price proposed bears no relation to the intrinsic value of the corporation.

M & G, the institutional shareholder which owns about 11 per cent of the Guthrie equity, said yesterday "that asset valuation of over £6 doesn't surprise us. We will hold Guthrie shares until a realistic bid emerges."

M & G is looking for a bid over £6. "It would be wrong to sell the company at the price Sime is offering."

Mr. I. L. Coates, Guthrie's managing director said yesterday: "My view is that there is no number that Sime Darby can afford that would suggest that Guthrie directors should accept. But I imagine they will come back. Meanwhile, I am planning to run the company for a bit. These things are so time consuming."

See Lex

NEB BACKING FOR G. P. BROWN

The National Enterprise Board has acquired 49 per cent of the equity in George P. Brown (Holdings) for £575,000, and has agreed to make available a medium-term borrowing facility of £600,000.

The group intends to expand its present facilities at Luton to meet pressure of demand. Its main operating subsidiaries are involved in the manufacture of welding and metal-forming equipment and its other subsidiary acts as a sub-contractor for the production of metal pressings and fabrications.

An NEB spokesman says the investment has been made to encourage the rebuilding of a sector which has declined in recent years while the equivalent industry overseas has flourished.

COMET HOLDS 9% OF CALEDONIAN

Comet Radiovision Services holds 9 per cent of the shares of Caledonian Holdings, the industrial group which spent only 24 hours as a public company before receiving a bid from London and Midland Industrials.

The announcement of Comet's stake aroused considerable interest in the market in view of Caledonian's immediate advice to shareholders not to act on LMI's bid because it had also received "several other serious approaches."

Last night, however, Caledonian said that Comet had not been one of those potential bidders it had referred to and called the news of Comet's holding "a new factor."

Comet's directors were not available to comment yesterday and the company's financial advisers declined to add further to the simple announcement of the holding.

BP gets go-ahead in Australia

After six months of negotiations, the Australian Government has given the go-ahead for British Petroleum to spend £102m buying out its partner in Clutha Development, the largest coalmining operation in New South Wales.

BP already has 50 per cent of Clutha and agreed last July to buy the remaining half from Universe Tankships, part of the Daniel K Ludwig group.

The Government discussions have focused on Australian rules which require a local partner in the major areas of natural resources.

The agreement now reached allows BP "to pursue the introduction of a 50 per cent Australian participation" over a period of years. BP has undertaken to keep the Foreign Investment Review Board informed of the progress of its efforts and review them annually.

The company adds that it is already holding talks with a number of Australian companies who may be interested in an equity stake.

GEORGE WILLS

George Wills and Sons (Holdings) has received Treasury permission to increase its dividend by 116 per cent from 1.55p to 3.35p for 1978. This is as a result of a share placing in connection with the agreed acquisition of Jack Kleeman (Merchants). In last Saturday's report on the bid the percentage dividend increase was incorrectly given at 53 per cent.

CMT BID FOR G. R. FRANCIS NOW ASSURED

The Central Manufacturing and Trading bid for G. R. Francis is now assured. Yesterday it acquired a further 255,000 shares (12.4 per cent) in the market at 66½p from investment clients of Smith Keen Cutler, CMT's brokers. The sale price was 66½p.

G. R. Francis' Board has already voted its 58 per cent holding to the bid.

APPROACH FOR WILLIAM JACKS

After a sharp rise in its share price, William Jacks revealed that its Malayan parent had received an approach from a party interested in acquiring its 50.2 per cent holding in the UK-based overseas trader and motor distributor. Baring Brothers, which notified Jacks UK and its merchant bank, Lazards, of the potential bid approach, stressed yesterday that "it is too early to say where this might lead."

William Jacks and Co. (Berhad) acquired voting control of Jacks UK last March when it purchased 2 per cent in the market at 28p per share. That was the prevailing price at the beginning of this week, but the shares added 13p yesterday to 41p.

JACKSON SAYS HOLD ON

The directors of Jacksons Bourne End, who have appointed Hambros Bank as financial advisers to the company, are considering the proposed offer by Dawngrange, and will make a further announcement as soon as possible.

Shareholders are therefore urged to take no action in respect of their shareholdings for the time being.

SECURICOR

Securicor has invested part of the £4.7m proceeds from last July's rights issue in a new £1.75m vehicle fleet and 27 new depots to develop its overnight parcels service.

This service, already accounting for one third of Securicor's sales, has previously carried only parcels not exceeding 25 kg. The limit is now to be doubled.

Mr. Tapscott giving up chairmanship of AF

Mr. Paul Tapscott, the chairman of Associated Fisheries, is to retire at the annual general meeting on May 14, 1979, but he intends to remain a director.

Mr. Tapscott, who will be 60 this year, will have been chairman of the group for nine years.

Mr. H. K. Fitzgerald, chairman of Eastern Produce who joined the Board of Associated Fisheries last April, is to succeed Mr. Tapscott.

Eastern Produce holds 34.5 per cent of the equity of Associated Fisheries.

Asked whether the move was a cue for a bid by Eastern Produce a spokesman for Associated Fisheries said: "I am told not." But he added that Eastern Produce wanted "to take a more active role in the company."

Another Eastern Produce director, Mr. M. C. Perkins, is already on Associated's Board.

Mr. Perkins, managing director of Eastern Produce, said yesterday that "the move is nothing more dramatic than the reorganisation of the Board. We are continuing our representation in the group which is an investment of Eastern Produce."

Preliminary results of Associated Fisheries are due out next month.

Satisfactory start at A. G. Barr

Sales have so far been satisfactorily above those of the corresponding period last year, says Mr. W. R. G. Barr, chairman and managing director of A. G. Barr and Co., soft drink manufacturer, in his annual statement.

However, the combination of the recent severe weather and the national transport problems make the immediate future trend very uncertain, he adds.

Additionally, it is only possible at present to foresee a slow improvement in the marketing conditions for non-returnables.

As reported, pre-tax profits were up from £1.18m to £2.01m in the year to October 28, 1978. Turnover increased to £21.37m (£18.12m).

MINING NEWS

A cooler year for Utah coal

AUSTRALIA'S largest coal producer and biggest money spinner, the U.S.-controlled Utah Development Corporation, earned a profit of A$138.2m (£78.5m) in 1978. This is a small reduction on the A$158.3m achieved in 1977 and was the first downturn in 10 years of operation, reports James Forth from Sydney.

The lower earnings were largely a reflection of strikes between June and October, which disrupted shipments of coal and the introduction of a 5 per cent "branch profits tax" which took an additional A$13m and lifted the company tax rate of Utah to 51 per cent.

At the half-way mark profits of the group were ahead of 1977 but industrial trouble resulted in coal output dropping from 9.28m tonnes in the first half to 6.86m in the second half.

Dividends paid to the U.S. parent, which is now controlled by General Electric, totalled A$116m compared with A$141m in 1977.

The directors say that there are indications of a gradual improvement in the world steel industry and the marketing outlook for coking coal has improved somewhat.

The Japanese steel mills are now expected to produce about 105m tonnes of crude steel for the year to March 31, 1979 compared with production of 100.6m tonnes in the 1978 fiscal year.

Compared with 1977 world steel output in 1978 rose 6 per cent to 712.5m tonnes and slightly exceeded the record 1974 year. The directors add that, generally, industry sources predict that 1979 will show substantial gains.

Palabora lifts profits

FOLLOWING the 68 per cent rise in 1978 profits reported yesterday by Bougainville Copper, the Rio Tinto-Zinc group's other major copper producer, the South African Palabora, announces earnings for 1978 of R25.7m. (£14.8m) which compare with R18m in the previous year.

Reflecting a good final quarter, the dividend for the period is boosted to 27.5 cents (15.8p) to bring the year's total to 70 cents from only 45 cents in 1977. The London Metal Exchange average price for copper last year fell to £710 per tonne from £751 in 1977, but Palabora raised its copper sales to 114,878 tonnes from 104,231 tonnes.

The maintenance of the mine's increased copper production—114,688 tonnes last year against 109,081 tonnes in 1977—depends on the troublesome new autogenous mills being kept operating at a satisfactory rate until the necessary new shells are installed at around mid-year. Palabora shares were 610p yesterday.

CHEMICAL COMPANY RESULTS

Fibres emerge as focus of recovery

BY DAVID LASCELLES IN NEW YORK

DU PONT DE NEMOURS, the largest U.S. chemical company, dominated the field in more than one way last year. It reported a sharp 46 per cent increase in profits to $786m, which was a lot more than its main competitors. Just as striking was the fact that the increase was achieved on a rise in sales of only 12 per cent — in other words, profit margins were a lot better too.

Du Pont's initial earnings report attributed this to "solid gains" in the chemicals, plastics and speciality products business, and "encouraging results" with fibres. However, the full extent of the fibres gains was not revealed until a few days later when the breakdown was published. This showed that earnings in that sector rose by 269 per cent to $220m.

The message behind these figures seemed to be that the long-ailing fibres business had finally picked up. Although there has unquestionably been an improvement, analysts still have doubts about the strength of the trend. Some even believe the recovery will stall again, particularly if the U.S. economy goes into recession this year.

Since Dupont depends on fibres for about a third of its sales, it has been specially hard hit by the weakness of the market in the past five years. In 1973 textile fibre sales were 38 per cent of Dupont's total, yielding 42 per cent of corporate earnings. But in the first nine months of 1978 they had droped to 32 per cent of sales, and a mere 24 per cent of earnings.

So long as the market weakness persisted, Dupont had no alternative but to launch a ruthless cost-cutting exercise to keep its fibres business afloat. This included cutting manpower by 15 per cent, paring back unnecessary operations, mothballing production plant, and striving to develop new fibres technology to gain an edge over competitors. As the table shows, Dupont also reduced the importance of fibres in total operations by emphasising its more profitable chemicals, plastics and specialties divisions.

Last year, however, the market itself began to strengthen, providing Dupont with the opportunity to increase both the volume and price of its fibre sales.

According to Mr. Jay Meltzer, chemicals analyst with Loeb Rhoades Hornblower, there were three underlying reasons for this:

1—Customers' inventory corrections which had led to a painful cutback in demand for fibres have now been reversed, meaning that stocks are being increased rather than depleted.

2—Synthetics are picking up a greater market share. Cotton, once on the upswing, showed a sharp decline last year, probably because it is less versatile than the new generation of synthetic fibres now being offered.

3—The slump in fibres forced many producers out of the business, meaning the production capacity is now in better balance with demand.

DUPONT RESULTS ($m)

	1978	1977
Total sales	10,584	9,435
Net income	787	546
Fibres	228	60
Chemicals	124	133
Plastics	165	151
Specialties	278	202

The major chemical companies in the U.S. have experienced a strong upturn in earnings based on impressive profitability in their respective fibres divisions. Analysts suspect, and company officials are inclined to agree, that the recovery may not be sustained.

Shipments of non-cellulose fibres rose 7 per cent last year, Mr. Meltzer says, which may not be substantial but at least it is not a decline.

Dupont itself reports that the strongest demand lies in carpet and industrial fibres, but that the market for apparel and home fabrics (which accounts for half of Dupont's textile fibre sales) is still mixed. The company believes, however, that polyester fibres will continue to be the main growth area in the apparel market, with demand for filament growing 6 per cent a year, and staple 4 per cent.

Dupont's fibre business was also helped by what it describes as "a turnaround" in Europe, its largest overseas market, which helped both volume and price. As in the U.S. the strongest trends are in industrial and carpet fibres, with apparel fibres still lagging.

A similar picture to Dupont's was painted by Celanese, another big fibres producer. Earnings for its fibres group were equivalent to $2.93 a share, nearly five times the 60 cents of 1977, with the strongest gains in cellulose fibres and from operations overseas. The third major producer, Akzona, also indicated that fibres were finally making a profit again, although full details are not yet available.

But with fibres earnings finally on the rise, the question is whether the market can sustain its strength. The general view is that it cannot.

One of the main reasons is the fibre industry's sensitivity to economic cycles, due to its dependence on consumer spending. If, as seems likely, U.S. economic activity slows down this year, fibre sales will follow suit, particularly the apparel and home fabrics sector. Although Dupont itself is cautious about the prospects, it has warned that sales of carpet fibres may also weaken if the pace of housing construction slackens.

Furthermore, the industry faces a sharp rise in its raw material costs because of the increased price of oil. This could make life difficult for the chemical companies in the context of Mr. Carter's "voluntary" ceilings on price rises in 1979, although the industry itself doubts whether the market would stand much more than a slight upward nudge.

Analysts also warn that even if fibre sales continue to improve, it will be some time before earnings give companies an adequate return on their investments. This is partly because prices are still historically low and partly because a fibre producer needs to keep a large and varied production mix going.

But looking beyond the recession, the fibres industry's painful shake-out in the last few years could put the survivors in a strong position in the early 1980s. Mr. W. D. Williams, analyst at Merrill Lynch, predicts that "by 1981, in our estimation, fibre producers could be hard-pressed to meet demand for several major fibre types, and selling prices—and profitability—could show a major upswing."

EUROBONDS

Honda seeks $130m with simultaneous convertible bonds

BY NICHOLAS COLCHESTER AND JOHN EVANS

HONDA MOTOR Company is expected to announce shortly that it is tapping at least two and possibly three sectors of the international bond market with simultaneous convertible bonds to raise up to $130m. But market conditions last night were making the triple offering originally envisaged very difficult to launch.

The original plan was for a £50m convertible with Schroder Wagg and Nikko Securities as lead managers. Deutsche Bank was to organise a DM 100m convertible and Union Bank of Switzerland was to lead an SwFr 80m convertible.

These amounts are now up in the air.

The dollar is displaying new weakness. The indigestion in the Japanese D-Mark convertible market will most likely lead to cancellation of the D-Mark tranche.

The Tokyo stock market and Honda's own share price, on which the future value of all these bonds depneds, have both been growing through a nervous phase, triggered partly by Iranian fears and partly by the Japanese Government's recent funding problems. Honda's share price stood last night at Y491, compared with a high in January of Y537.

The Eurodollar bond market lost further ground yesterday, reacting to the weakness of the dollar and strength of gold. Prices shed up to ¾ points at one stage, before steadying in later trading to finish with net losses of around ⅜ to ½ point in most places. Yields were pushed up to 9.80 per cent in many issues.

New issues were generally quoted at discounts equal to the full selling group concessions, one sign that investment demand has started to abate because of new dollar uncertainties.

The $75m 15-year New Brunswick Electric Power issue was quoted at 97¾-98¼, producing a yield of maturity of 10.05 per cent. The $100m Finnish note issue was quoted at 98-98½.

The several other outstanding new issues are expected to open at deep discounts from issue prices over the next few days, reflecting the market's sudden new deterioration.

Meanwhile, the province of Manitoba is to issue a $75m 10-year bullet Eurobond, with a coupon of 9¼ per cent. Lead manager is Wood Gundy.

The City of Stockholm has filed a $50m Yankee bond offering, due March 15, 1994. The manager is Morgan Stanley, and the offering is expected on February 28.

The Deutsche-Mark market also displayed some weakness, with the slightly higher yields on longer-term Government bond issues tending to divert investment interest away from foreign issues.

The DM70m 10-year four per cent issue for Minolta Camera, priced at par, will be convertible from May 1 this year at a price of Y555 per share and fixed exchange rate of Y108.31 per DM, according to manager Westdeutsche Landesbank.

In the Swiss Franc sector, Australia is reportedly making a SwFr 250m private placement for seven years at par, with a 3¾ per cent coupon. Credit Suisse is syndicate leader.

This bank is also due to float a SwFr 100m 12-year bond with a coupon of 3½ per cent, according to bankers.

Atlantic City attracts the bulls

BY DAVID LASCELLES IN NEW YORK

INVESTORS and developers are equally bullish about the prospects for New Jersey's budding casino industry in Atlantic City, despite the questions hanging over Resorts International's application for a permanent licence.

Resorts, still the onl ycasino operator in Atlantic City, has a temporary licence which is due to expire on February 26. But its application for a permanent licence is being opposed by the state gaming enforcement commission on the grounds of its past associations and alleged financial malpractice.

Hearings on the application have been in progress for more than four weeks. Judging by Wall Street's reaction, they have not thrown up any evidence that will seriously damage Resort's' chances of getting a permanent licence.

Resorts' shares stood at $39 yesterday, their highest level since November, although its casino had just announced a reduced "take" for the month of January (down 8 per cent at $13.6m). It also headed the most active list on Tuesday. Other gambling-related stocks such as Caesar's World have been performing well too, although most of them are some way down from the peaks they reached during last summer's gambling stocks boom.

According to Mr. Lee Isgur, leisure industry analyst at Paine Webber, Mitchell Hutchins, "a lot of negative things keep coming out, but nothing that would cancel current gaming plans." Mr. Isgur points to a recent statement by the New Jersey Governor, Mr. Brendan Byrne, to the effect that, regardless of the outcome of the Resorts' hearing, there will be gaming in the state.

This suggests that even if Resorts' application fails, other companies will be successful. Moreover, should Resorts be denied a licence, it would still be able to liquidate its Atlantic City assets at a huge profit. But the results of the hearing should be known soon since New Jersey must make a ruling before Resorts' temporary permit expires.

Transport demand boosts Moore McCormack profit

NEW YORK — Moore McCormack Rescources, the iron ore and coal industry transport group, has recorded a sharp rise in net earnings for 1978, with the final quarter in particular showing a strong recovery by comparison with the strike hit closing quarter of the previous year.

Net earnings for 1978 rose by 42 per cent to $33.3m, with share earnings of $5.85 against $4.13. At $351.7m, revenues put on 9.8 per cent.

The final quarter turned in net earnings of $10.9m, compared with only $3.4m previously, or $1.92 a share against 60 cents. At $101.3m, sales were 34 per cent ahead.

Net income for the final quarter included a charge of $2.2m net of tax representing the estimated loss on the sale of excess cargo liner tonnage, but also took in a credit of $988,000 from the assumption by a third party of certain unfunded pension liabilities.

Mr. James R. Barker, the chairman, said the principal contributor to the full year and fourth quarter improvement in earnings was strong demand for iron ore and Great Lakes bulk transport, noting that such operations were closed down by a four-month strike which ended in November 1977.

Additionally, he commented that 1978 results were achieved in the face of an industry-wide coal strike which lasted from December 1977 through the first quarter last year and the effects of subsequent railcar shortages on coal shipments.

Mr. Parul R. Tregurtha, the president, noted that last year for the first time natural resource and related water transportation, which is primarily under long-term contract, accounted for over 70 per cent of the company's operating profit.

Mr. Barker concluded that "current prospects for most of the company's major income streams appear favourable. So unless there is a major change in general economic conditions or some unforeseen circumstances arise, we expect that results for 1979 will show a healthy advance over 1978 levels."

Agencies

U.S. bonds show further weakness

PRICES SLUMPED again on Wall Street's bond markets yesterday morning amid predictions that the Treasury's new long-term bond issue would offer investors record yields of close to 9 per cent.

The sale to be completed later in the day is the second part of a two-stage Treasury financing which will bring in $4.25bn of which $1.3bn will be new money.

On Tuesday, the first part of the sale—$2.25bn of eight-year notes—was completed at an average yield of 9.01 per cent. Yesterday morning the price of the notes fell in resale trading so that they were yielding 9.06 per cent in the market.

Analysts point to several factors to explain the abrupt change in the mood of the bond market including the renewed pressure on the dollar which makes it even more unlikely that the Federal Reserve Board will ease monetary policy.

SEC censures Hutton

BY OUR NEW YORK STAFF

E. F. HUTTON, the third largest U.S. brokerage firm, has been censured by the Securities and Exchange Commission, and 13 of its current or former employees have been penalised for violating federal securities laws in options

Hutton and the individuals involved have consented to the SEC charges without admitting or denying guilt. The SEC claimed that options trading by Hutton employees led to 83 customers losing $907,000.

The Commission alleged that trading strategies were employed that were not suitable for the financial situations, investment sophistication and investment objectives of some of the company's clients.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on February 7

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Age Akt. 9¼ 88	25	94⅛	94⅞	−0⅛	−0⅛	10.15
Australia 8.45 83	175	95⅞	96⅜	−0⅛	−0⅛	9.79
Australia 9⅛ 83	75	96⅜	97⅛	−0¼	−1⅛	9.72
CECA 8¾ 87	50	93⅜	94⅛	−0⅛	−0½	9.84
CECA 9¾ 84-99	50	96¼	96⅞	−0⅛	−0½	9.76
CNT 9 83	75	94⅜	94⅞	−0⅛	−0⅛	9.70
Canada 9 83	400	98⅛	98⅜	−0⅛	−0⅛	9.62
Canada 9⅛ 98	350	97⅞	98⅛	−0⅛	−1	9.68
Canadair 8½ 83	70	94⅛	94⅝	−0⅛	−0⅞	10.09
Dominion Bridge 9 88	25	94⅜	95⅛	−0¼	−0⅛	9.85
EIB 9⅛ 98	125	98½	99	−0⅛	−0⅛	9.84
Export Dv. Cpn. 9.85 84	150	100⅛	100⅞	−0⅛	−0½	9.82
Eksportfinans 9 88	50	95⅜	96⅛	−0⅛	0	9.75
Finland 8¾ 83	100	96⅜	97⅛	−0⅛	−0⅛	9.83
Finland 9 88	100	95⅛	95⅝	−0⅛	−0⅛	9.86
Hospital O/S 9 83	25	97	97½	−0⅛	−0⅛	9.74
Ital Finance 9⅜ 90	30	94	94½	−0⅛	−0⅞	10.62
J. C. Penney 8½ 83	100	96½	96⅞	−0⅛	−0⅛	9.43
NZ Dev. Fin. 8¾ 83	20	94¼	94⅝	−0¼	−0⅛	9.76
NZ Dev. Fin. 8¾ 85	20	93⅝	94¼	−0⅛	−0⅛	9.70
Nat. West. 9 86	75	97⅜	97⅝	−0⅛	−0⅞	9.47
Newfoundland 9⅝ 90	50	97⅜	97⅞	−0⅛	−0⅛	9.81
Nord Inv. Bk. 9⅛ 88	25	95	95½	−0¼	−0½	9.53
Norsk Hydro 9¼ 94	50	95⅞	96⅜	−0⅛	−0⅛	9.76
Norway 7¾ 83	250	93	93½	0	−0⅝	9.88
Norway 8¾ 83	150	97	97½	−0¼	−0⅛	9.75
Norway 9¾ 84	150	100⅜	100⅞	−0⅛	+0⅛	9.61
Occidental 8⅞ 85	75	92⅜	92⅞	−0⅛	−0⅜	10.51
Ont. Hydro 8½ 85	125	93⅞	94⅜	−0⅛	−0⅛	9.77
Quebec Hydro 9½ 93	50	97⅜	98⅛	−0⅛	−0⅞	9.75
Sweden 9¾ 98	125	96⅝	97¼	−0⅛	−0⅞	9.82
UK 8¾ 85	200	95⅛	96	0	−0⅛	9.63
UK 8⅞ 93	150	96⅜	98½	+0⅛	−0⅛	9.59

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5½ 87	70	97⅛	98⅛	−0⅛	−0⅛	5.94
Argentina 6½ 88	150	94⅞	95⅜	−0⅛	−0⅛	7.21
Australia 6 88	250	99⅜	100¼	+0⅛	+0¼	5.98
Austria 5½ 90	150	92⅜	93⅛	0	−0⅛	6.68
Bankamerica 5¾ 90	150	98½	99	−0¼	−0½	5.90
Bq. Ext. Algerie 7⅜ 85	100	96⅝	97⅛	0	0	7.83
Brazil 7⅜ 87	150	100⅛	100⅝	0	0	7.18
CECA 6 88	150	98⅛	98⅝	−0⅛	−0⅛	6.49
Canada 4¾ 83	600	97⅛	98⅛	0	0	5.24
Ch. Manhttn. O/S 6 93	100	99⅜	100⅛	−0⅛	−0⅛	6.00
Commerzbank WW 3½	100	100½	101½	−0⅛	0	[illegible]
Commerzbank XW 3½	100	81⅛	82⅛	0	−0½	6.11
Copenhagen City 6 90	75	90⅛	90⅞	−1¼	−2⅛	7.22
Council of Europe 6⅛	100	96⅝	97⅜	−0⅛	−1	6.56
Council of Europe 6¾	130	97½	98	−0⅛	−1⅛	6.56
Denmark 5¾ 85	100	96⅞	97⅛	−0⅛	−0⅛	6.34
Denmark 6½ 89	100	96	96½	−0⅛	−0⅛	7.03
EIB 6 90	300	94⅛	94⅝	−0⅛	−0⅛	6.71
EIB 6½ 91	200	96⅛	96⅝	−0⅛	−0⅛	6.96
Eurofima 6½ 89	100	98⅛	98⅝	−0⅛	−0½	[illegible]
Finland 6 83	150	99⅜	99⅞	−0½	0	6.12
Hitachi Ship 5¾ 83	50	98⅞	100⅛	−0⅛	0	5.72
IBJ 5 84	100	96⅞	97⅜	−0⅛	−0⅛	5.66
Indonesia 7 84	100	97⅜	98⅛	−0⅛	+0⅛	[illegible]
Kobe, City of 5¾ 86	100	100⅜	101⅛	+0⅛	−0⅛	5.62
Mitsubishi Petro. 5¾ 85	100	99⅞	100⅜	−0½	+0¼	5.72
New Zealand 6⅛ 87	200	99⅜	100⅛	+0⅛	+0⅛	6.25
Nippon Steel 5¾ 85	100	99	99⅜	0	−0⅛	5.98
Nippon Tel. & T. 5½ 87	100	97	97½	−0⅛	−0⅛	5.94
Nordic Inv. Bk. 6⅞ 86	60	97⅛	99⅛	0	−0⅛	6.64
Norges Komm. 6 90	100	99⅜	98⅝	−0¼	−1	6.50
Norges Komm. 6¾ 89	150	97⅜	97⅞	0	+0⅛	6.58
Norwegn. Ind. Bk. 6 90	125	96⅜	96⅞	+0⅛	−1⅛	6.51
Occidental 6¾ 90	150	96⅜	96⅞	0	−0⅛	7.18
OKB 6½ 88	100	100⅜	100⅞	−0¼	0	6.41
Petroleo Brazil 7 88	100	98½	99	+0⅛	−0⅛	7.18
Pk Banken 5¾ 88	100	92¼	92¾	−0⅛	−0⅛	6.87
Ricoh 5½ 83	30	99⅛	99⅝	−0⅛	+0⅞	5.40
Statoil 6 88	150	96½	97	−0⅛	−0⅛	6.46
UDS Group 5½ 83	65	96⅞	97⅛	−0½	−0⅛	6.49
Union Bank-Finn. 6½ 88	50	95⅛	96⅛	−0⅛	−0⅛	7.09
Venezuela 6½ 90	150	93⅛	93⅞	−0⅛	−0⅛	7.32
World Bank 6¾ 88	400	97	97½	0	−0⅛	6.64

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¾ 88	40	104⅛	105	−0⅛	−1⅛	4.63
Amer. Exp. Int. 3¾ 93	40	102⅞	103⅛	0	−0⅛	3.24
Arlberg Tunnel 4 93	40	102	102⅛	−0⅛	−1	3.80
Austria 3½ 93	100	99⅜	99⅞	+0⅛	−0½	3.52
Brazil 4¾	100	99	99¼	−0⅛	−1½	4.36
Chase Manhattan 4 93	70	104⅛	104⅞	+0⅛	−3⅛	3.62
Council of Europe 4½	100	103⅜	104	+0¼	+0⅛	3.84
Bankamerica 3⅞ 93	20	102⅞	103⅛	0	−0⅛	3.48
BNDE 5 88	75	†103	103½	0	−0⅛	4.57
Denmark 4½ 90	100	104⅛	105	+0⅛	−0⅛	3.96
Denmark-Mortgage Bk.	80	105	105½	−0⅛	−0⅞	3.92
EIB 4⅛ 93	100	104¼	104½	+0⅛	−2½	3.85
Euratom 4¼ 93	80	103⅞	104⅛	0	+0⅛	3.88
F. L. Smidth 4½ 89	25	103½	104	+0⅛	−0⅛	4.05
Finland 4½ 93	80	100⅜	103⅞	+0¼	−2⅛	4.16
GZB 4½ 93	100	105	105½	+0½	−0⅞	4.01
ICI Fin NV 4¼ 93	100	104½	105	+1	−0⅛	3.87
Malaysia 4¾ 90	80	100	100¼	0	−1⅛	4.73
Manitoba 4 93	100	104⅜	104⅞	−0¼	0	3.57
Newag 4 93	70	103⅛	103⅞	+0¼	+0⅛	3.66
New Zealand 3½ 94	120	†99⅜	100	+0¼	+0⅛	3.61
Norges Komm. 4⅛ 90	100	104	104⅛	−0⅛	−1¼	3.79
OKB 4 93	80	103⅜	103⅞	+0½	−0¼	3.66
Oy Nokia 5 90	20	104½	105	+0½	0	4.46
Safe 4¼ 93	30	103⅜	103⅞	−0⅛	−1⅛	3.91
Sandvik 4 90	85	104⅛	105	+0⅛	+0⅛	3.51
Scas 4½ 88	15	103½	104	−0⅛	−1	4.01
Voest-Alpine 4½ 93	100	104⅛	104½	0	−1⅛	4.09
Vorarlberg Kraft 4 93	30	103⅞	104⅛	−0⅞	+0⅛	3.64
Vienna 4 93	100	†102⅛	103	+0⅛	−0⅜	3.76
World Bank 4¼ 93	250	†103⅛	103⅝	0	−0⅞	3.94

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bk 5¾ 88	15	94⅛	95⅛	−0⅛	−0⅛	6.42
Australia 5.6 83	30	100⅛	101⅛	0	−0⅛	5.62
Australia 6½ 88	20	97⅛	98⅛	0	−0⅛	6.86
BFCE 6.4 90	30	†94	95	−0½	−1	7.24
Eurofima 6.3 90	10	†94⅛	95⅛	0	−0½	7.03
Finland 5.6 83	10	98⅜	99⅜	−0⅛	−0⅛	5.85
Finland 6.8 88	10	97⅛	98⅛	0	0	7.23
Sweden 6.3 90	40	94⅛	95⅛	0	−0⅛	7.10

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Rank O/S Hold. 11½ A$	12	96⅛	97⅛	0	0	12.53
Auto Cote B. 7 93 EUA	15	91⅛	92⅛	0	−0⅛	7.98
Copenhagen 7 93 EUA	30	92⅛	93⅛	−0⅛	−0⅛	7.88
Komm. Inst. 7½ 93 EUA	15	96⅛	97⅛	−0⅛	0	7.81
Panama 8½ 93 EUA	20	93⅛	94⅛	−1⅛	−1⅛	8.99
SDR France 7 93 EUA	22	91⅛	93⅛	0	−1⅛	7.88
Algemene Bk. 6¾ 83 Fl	75	94⅛	95½	+0⅛	+0⅛	7.62
Brazil 7½ 83 Fl	75	94⅛	95⅛	0	0	8.97
CFE Mexico 7¾ 83 Fl	75	97⅛	98⅛	+0⅛	+0⅛	8.35
EIB 7⅛ 85 Fl	75	96⅛	96⅞	0	+0⅛	8.04
Neder. Midd. 6½ 83 Fl	75	94⅛	95⅛	+0⅛	+0½	7.97
New Zealand 6¾ 84 Fl	75	96⅛	96⅞	+0⅛	+0⅛	7.75
Norway 6½ 83 Fl	100	93⅛	94⅛	0	0	8.26
OKB 6½ 85 Fl	75	90⅛	91⅛	0	+0⅛	8.45
Elf Aquitaine 9¾ 88 FFr	150	99⅛	100⅛	0	+0⅛	9.74
EIB 9⅛ 88 FFr	200	100	100⅛	0	+0⅛	9.69
PSA Peugeot 9¾ 87 FFr	175	100⅛	100⅞	0	0	9.66
Unilever 10 86 FFr	100	101⅛	102⅛	0	0	9.57
BAT 8 88 LuxFr	250	97	98	0	0	8.39
Bayer Lux. 8 86 LuxFr	250	97⅛	98⅛	−0⅛	−0⅛	8.42
EIB 7¾ 88 LuxFr	250	96⅛	97⅛	+0⅛	+0⅛	8.19
EIB 8 91 LuxFr	—	—	—	—	—	—
Finland I. F. 8 88 LuxFr	250	96⅛	97⅛	−0⅛	−0⅛	8.44
Norway 7¾ 83 LuxFr	250	97⅛	98⅛	0	+0⅛	8.39
Norges Km. 8 86 LuxFr	500	99	100	−0⅛	−0⅛	8.09
Renault 7¾ 88 LuxFr	500	96⅛	97⅛	−0⅛	−0⅛	8.19
Solvay Fin. 8 85 LuxFr	500	100⅛	101½	−0⅛	0	7.79
Swedish Bk. 8 88 LuxFr	300	99⅛	100⅛	−0⅛	0	8.05

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bk. M6.5 83	0⅛	96	96½	31/7	11.44	11.88
BFG Fin. Co. M5.5 89	0⅛	98⅛	99	12/7	12.4	12.56
Bco. El Salvador M8 83	1⅛	97⅜	98⅛	12/4	11.31	11.54
Bco. Nac. Argnt. M8 83	0⅛	99⅛	99⅝	21/7	12⅛	12.31
Bank Handlowy M8 88	1⅛	97⅛	97⅝	25/11	12.94	13.27
Bank of Tokyo M5½ 93	0⅛	97⅛	97⅝	18/4	10½	10.77
Banque Worms M5¾ 85	0⅛	98⅛	98⅝	15/6	12	12.20
Bq. E. d'Alg. M8.375 84	0⅛	96⅛	97⅛	9/2	9⅝	9.95
Bq. E. d'Alg. M7.5 85	0⅛	95⅛	96⅛	2/5	12⅝	13.32
Bn. Indo et Suez M5½	0⅛	98⅛	99⅛	25/7	12	12.14
Bq. I. Afr. Occ. M6.5 83	0⅛	97⅛	97⅞	12/7	12.4	12.70
CCCE M5.25 98	0⅛	97½	98	3/8	11⅝	11.64
Ch. Man. O/S M5⅛ 93	0⅛	97⅛	98⅛	27/7	11.73	11.96
Credit National M5¾ 88	0⅛	98	98½	11/7	12.31	12.53
Gotabanken M6 88	0⅛	98½	99	15/5	12.31	12.47
Ind. Bk. Japan M5½ 85	0⅛	99⅛	100⅛	1/6	12.35	12.37
Ljubljanska M7.75 85	1	96⅛	97½	18/7	12.94	13.32
LTCB Japan M5¾ 85	0⅛	99⅛	99⅝	9/5	12.06	12.12
Midland Intl. M5½ 93	0⅛	98⅛	98⅝	20/7	12⅛	12.44
Nat. West. M5½ 90	0⅛	98⅛	98⅝	21/6	12½	12.64
Nipp. Crdt. Bk. M5.5 85	0⅛	100	100⅛	22/6	12.81	12.78
OKB M5¾ 88	0⅛	100⅛	100⅝	18/4	10.56	10.52
Offshore Mining 86	0⅛	98⅞	99⅛	19/7	12.19	12.30
Petro Mexicano 7¾ 84	0⅛	98⅛	98⅝	24/7	12.06	12.20
Privredna Banka M8 86	0⅞	95½	96½	22/6	13.44	14.00
Standard Chrt. M5.5 90	0⅛	97⅛	97⅝	10/2	8.94	9.17
Sundsvallsbnkn. M6 85	0⅛	97⅛	97⅝	4/4	10.06	10.32

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	628	104⅛	105⅛	0	12.48
Baker Int. Fin. 5½ 93	1/79	34	102½	103⅛	0	8.64
Boots 6⅛ 93	2/79	2.16	89⅛	90⅛	+0⅛	−1.62
Coca-Cola Bottling 6¾	4/78	9	90⅛	91⅞	0	21.50
Ito-Yokado 5¾ 93	6/78	1473	123⅛	124⅛	0	−3.94
Novo Industri 7 89	4/78	259	90½	92	0	5.80
Texas Int. Air. 7½ 93	4/79	14.5	89	90⅛	−0⅛	18.76
Thorn Int. Fin. 7 88	11/78	3.67	97⅛	98½	−0⅛	0.10
Tyco Int. Fin. 8½ 88	9/78	21	98⅛	100	0	19.25
Tyco Int. Fin. 5 84	5/78	61.5	76	78	+0⅛	170.60
Asahi Optical 3½ DM	12/78	588	92	93	+2	5.40
Casio Cp. 3½ 85 DM	11/78	841	95½	96½	+1	6.07
Izumiya 3½ 88 DM	10/78	959	91⅛	92⅛	0	−3.31
Jusco 3½ 86 DM	1/79	1270	92⅛	93⅛	+0⅛	12.37
Kansai Elec. 4 84 DM	4/79	135	92⅛	93⅛	+0½	−88.59
Konishiroku 3½ 85 DM	1/79	612	92⅞	93⅞	+0⅛	8.09
Marudai Food 3½ DM	2/79	1033	92⅛	93⅛	−0⅛	8.89
Murata M. 3½ 86 DM	11/78	264	97⅛	98⅛	+0⅛	−1.75
Nipp. Air. 3.5 88 DM	12/78	508	86⅛	87⅛	−0⅛	−0.80
Nippon Shinpan 3¾ DM	8/78	738	100⅛	101⅞	+1⅛	1.10
Nippon Yen. 3½ 85 DM	1/79	251	96	97	+1⅛	3.14
Nissan Diesl. 3½ 88 DM	2/79	477	92⅛	93⅛	+0⅛	10.12
Olymp. Opt. 3½ 85 DM	2/79	703	98½	99½	+1⅛	2.48
Ricoh 3½ 86 DM	10/78	617	96⅛	97⅛	+0½	16.64
Sanyo Electric 3½ DM	11/78	296	90½	91½	−1⅛	−4.79
Seiyu Strs. 3¾ 86 DM	9/78	1275	108⅛	109½	+1⅛	−3.37
Sharp Cp. 3½ 86 DM	2/79	487	94⅛	95⅛	+1⅛	−0.81
Stanley Elec. 3½ DM	11/78	623	92⅛	93⅛	+0⅛	15.15
Tokyo Elec. 3½ 87 DM	4/79	476	93	94	−0⅛	0.74
Trio-Knwd. 3½ 86 DM	11/78	711	90	91⅛	+0⅛	21.91

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M = Minimum coupon. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

AMERICAN QUARTERLIES

ANDERSON CLAYTON

Second quarter	1978 $	1977 $
Revenue	278.6m	249.2m
Net profits	10.49m	10.61m
Net per share	0.76	0.76
Six months		
Revenue	408.6m	417.0m
Net profits	19.69m	21.75m
Net per share	1.40	1.56

BANGOR PUNTA

First quarter	1978 $	1977 $
Revenue	181.7m	158.3m
Net profits	13.04m	16.07m
Net per share	1.13	1.18

BROWN & SHARPE

Fourth quarter	1978 $	1977 $
Revenue	45.0m	31.6m
Net profits	3.27m	1.85m
Net per share	1.25	0.73
Year		
Revenue	148.5m	108.9m
Net profits	8.65m	3.84m
Net per share	3.29	1.57

COLUMBIA GAS SYSTEM

Year	1978 $	1977 $
Revenue	2.47bn	2.04bn
Net profits	139.19m	129.17m
Net per share	3.94	3.84

CONGOLEUM

Fourth quarter	1978 $	1977 $
Revenue	141.6m	124.1m
Net profits	12.47m	8.71m
Net per share	1.07	0.75
Year		
Revenue	576.8m	388.6m
Net profits	41.75m	24.74m
Net per share	3.58	2.13

FORT HOWARD PAPER

Fourth quarter	1978 $	1977 $
Revenue	92.5m	83.7m
Net profits	14.88m	11.72m
Net per share	1.11	0.87
Year		
Revenue	336.4m	255.5m
Net profits	50.94m	45.82m
Net per share	3.78	3.39

GANNET

Fourth quarter	1978 $	1977 $
Revenue	200.2m	159.1m
Net profits	26.1m	22.2m
Net per share	0.97	0.83
Year		
Revenue	690.1m	557.9m
Net profits	83.1m	69.4m
Net per share	3.10	2.60

GLOBAL MARINE

Fourth quarter	1978 $	1977 $
Revenue	30.1m	27.8m
Net profits	2.00m	†0.92m
Net per share	0.80	†0.21
Year		
Revenue	124.5m	85.5m
Net profits	8.2m	†16.54m
Net per share	1.46	†1.50

† Loss

GULF RESOURCES & CHEMICAL

Fourth quarter	1978 $	1977 $
Revenue	108.8m	85.3m
Net profits	5.6m	1.3m
Net per share	0.63	0.09
Year		
Revenue	390.1m	330.9m
Net profits	14.1m	9.2m
Net per share	1.47	0.85

INTERNATIONAL ALUMINUM

Second quarter	1978 $	1977 $
Revenue	27.1m	21.4m
Net profits	2.06m	1.61m
Net per share	0.46	0.38
Six months		
Revenue	52.9m	41.7m
Net profits	4.06m	3.21m
Net per share	0.93	0.77

JOHNS-MANVILLE

Fourth quarter	1978 $	1977 $
Revenue	454.4m	390.1m
Net profits	34.1m	25.2m
Net per share	1.58	1.22
Year		
Revenue	1.68bn	1.46bn
Net profits	121.6m	102.6m
Net per share	5.62	4.78

MACMILLAN

Fourth quarter	1978 $	1977 $
Revenue	169.3m	153.0m
Net profits	10.89m	9.19m
Net per share	0.85	0.72
Year		
Revenue	553.5m	512.7m
Net profits	21.1m	18.4m
Net per share	1.71	1.51

NICOR

Year	1978 $	1977 $
Revenue	1.28bn	1.09bn
Net profits	71.57m	58.78m
Net per share	4.44	3.89

PIONEER CORPORATION

Fourth quarter	1978 $	1977 $
Revenue	128.0m	127.3m
Net profits	4.88m	7.35m
Net per share	0.51	0.64
Year		
Revenue	556.0m	504.8m
Net profits	33.99m	38.21m
Net per share	3.68	4.10

PITNEY BOWES

Fourth quarter	1978 $	1977 $
Revenue	204.5m	176.7m
Net profits	15.60m	12.05m
Net per share	1.15	0.89
Year		
Revenue	711.3m	608.0m
Net profits	45.4m	36.53m
Net per share	3.32	2.70

REVERE COPPER & BRASS

Fourth quarter	1978 $	1977 $
Revenue	179.71m	142.7m
Net profits	4.08m	4.09m
Net per share	0.71	0.71
Year		
Revenue	690.77m	587.6m
Net loss	19.04m	14.88m
Net loss per share	3.36	2.60

SMITH INTERNATIONAL

Fourth quarter	1978 $	1977 $
Revenue	120.4m	97.4m
Net profits	13.48m	12.53m
Net per share	1.38	1.29
Year		
Revenue	461.7m	354.4m
Net profits	52.18m	38.35m
Net per share	5.35	4.07

SOUTHLAND CORPORATION

Fourth quarter	1978 $	1977 $
Revenue	—	—
Net profits	12.5m	9.74m
Net per share	0.62	0.48
Year		
Revenue	3.08bn	2.54bn
Net profits	57.0m	45.3m
Net per share	2.82	2.26

U.S. TOBACCO

Fourth quarter	1978 $	1977 $
Revenue	52.3m	46.8m
Net profits	7.18m	5.67m
Net per share	0.81	0.64
Year		
Revenue	205.9m	181.0m
Net profits	27.83m	24.35m
Net per share	3.15	2.76

WALTER E. HELLER

Fourth quarter	1978 $	1977 $
Revenue	137.6m	99.1m
Net profits	9.49m	8.31m
Net per share	0.79	0.69
Year		
Revenue	470.8m	382.8m
Net profits	34.86m	30.33m
Net per share	2.90	2.52

WASHINGTON POST

Fourth quarter	1978 $	1977 $
Revenue	149.34m	136.66m
Net profits	15.97m	13.02m
Net per share	0.98	0.79
Year		
Revenue	520.4m	436.1m
Net profits	49.72m	35.47m
Net per share	3.08	2.09

RESULTS IN BRIEF

Fox expects profit gains

NEW YORK — One of the leading U.S. film groups, Twentieth Century Fox, expects its pre-tax profits to benefit by some $36m this year from the booking of several major film licensing contracts previously announced with the CBS and NBC networks.

These contracts, along with the syndication of the M*A*S*H comedy series, will also add some $82m to the revenue of Fox, which boosted per share earnings last year to $7.24 from $6.48.

Fox said that its revolving credit with six banks had been raised to $100m from $40m. During the final quarter of 1978, the group suffered a drop in net income to $7m, or 82 cents a share, from $10.7m, or $1.36.

Harsco, a steel recovery company, pushed up its yearly earnings total to $46.4m from $42.9m, with the per share figure up to $4.81 from $4.49. Sales totalled $815m against $683m.

Also reporting annual figures, china and jewellery company Lenox produced a per-share gain of $3.39 from $2.94, while International Flavors/Fragrances moved up to $1.53 from $1.25.

American General Insurance showed an advance at the per-share level from $5.22 to $6.33 over the past year.

Emerson Electric lifted earnings in the first quarter to 77 cents a share from 67 cents, while Zapata Corporation, the fishing and mining group, soared from 35 cents to 59 cents.

Giving figures for the first quarter, Black and Decker, which makes electrically-powered tools, reported a gain from 37 cents to 56 cents. Peabody International, a manufacturer of environmental control equipment, showed little movement over the three months to 58 cents from 52 cents, while the Copeland refrigeration company experienced a drop from 72 cents to 51 cents.

Agencies

Foreign investors take the Danish plunge

BY HILARY BARNES IN COPENHAGEN

THE SUDDEN ban on the sale of Danish government bonds shows just how fast the Danish authorities have been swept off their feet by the upsurge in demand for state kroner bonds.

Foreign investors have been a long time discovering the attractons of the Danish bonds. Throughout 1978 they carried an effective interest rate of 16 to 18 per cent. which is 6 to 8 percentage points higher than in most European countries, excluding the UK. What is more there is no coupon tax on Danish bonds.

However, having made the discovery, the foreign investor has plunged heavily. The state began to re-issue bonds in 1975 in order to finance an emerging budget deficit. In 1976 sales of government bonds to foreigners were running at about DKr 1.1bn, rising to DKr1.3bn in 1977. A year later they stand at about DKr 2bn (the final figures for last year is not yet available). But in January of this year sales had leapt to DKr 800m gross.

Liquidity

This development clearly frightened the Danish authorities who felt that if sales were to continue at anything like this rate it would set domestic liquidity out of control.

In principle sales of government paper are intended to soak up domestic liquidity created by the budget deficit. Sales to foreigners do not serve this purpose and they add to liquidity. In fact most of the sales are from the central bank directly and therefore the receipts are isolated fro mthe domestic economy.

There are two other reasons for official caution. First, foreign bond sales are an expensive way of raising foreign exchange when Denmark can raise loans at about 8 per cent in the medium term market. In fact, the official foreign exchange reserves are at a record level of about DKr 18bn and Denmark has no need for additional foreign exchange at the moment and the state is not in the market for new loans.

Second, if there is a loss of confidence in the Krone, re-sale of bonds held by foreigners could cause an unhelpful run on the reserves.

Following the development of the European Monetary System with all that this implies for the greater stability of the Krone, the foreign investor has quite suddenly become aware of the charms of the Danish bond market. The result has been striking. Non-national investment in Danish bonds surged dramatically last month giving the government little choice but to apply a temporary ban on the application of foreign funds

The sudden upsurge in demand for the Government bonds seems to be attributable to two specific factors. One is the decision to form the European Monetary System, of which Denmark will be a member. This has reduced the danger of a depreciation of the Krone which in spite of the country's enormous net foreign debt (about DKr 60bn or 20 per cent of the gross domestic product by the end of 1978) has remained one of Europe's strongest currencies since Denmark joined the snake.

The second factor is probably a product of the first, and it is the sudden discovery of the attractions of the Danish bonds by corporate treasurers. According to one banking source, the professional investor has long had a modest but steady interest in Danish bonds, but it is only recently that corporate treasurers have come into the market.

The high level of bond yields in Denmark is related more to the enormous importance and freedom of the bond market as a source of credit. The total nominal value of circulating bonds quoted on the stock exchange at the end of 1978 was about DKr 320bn which is about DKr 15bn more than the value of the gross domestic product last year. The net supply of bonds at market value in 1978 was about DKr 32bn. In addition to the organised market, there is also a large market in privately placed bonds.

Restrictions

Bonds are the normal means of financing house purchases, either by bonds issued on behalf of purchasers by mortgage societies and quoted on the stock exchange, or in the form of private issues, made either by buyers or sellers. Restrictions on bank credit in the 1970s have clearly increased the importance of the bond market.

The question now is whether foreign investors will take fright at the ban on investment in state kroner bonds. In principle mortgage bonds are just as safe and they give a yield which is about one percentage point higher on average than yields on state paper. There is no coupon tax on mortgage bonds either. Should interest switch to mortgage bonds—and the signs are that this is already taking place—the Government might also find it more difficult to persuade the EEC of the need for another restriction on capital movements.

Increased dividend at Swedish bank

By John Walker in Stockholm

SHARPLY higher profits and an increase in dividend are announced by Svenska Handelsbanken, one of the three major commercial banks in Sweden.

Consolidated net operating profit rose by 44 per cent to SKr 975m ($221m) in 1978, and the dividend is being lifted from SKr 16 a share to SKr 18.50. Total assets have gone up by 21 per cent to SKr 58.5bn ($130m).

The bank's operating revenue increased by 23 per cent, and expenses rose by 8 per cent. Some SKr 80m is reported as extraordinary income, of which SKr 50m refers to capital gains on the sale of capital stocks and SKr 30m to an intra-group transfer from the mortgage company, Sigab. Extraordinary expenses amounted to SKr 24m.

An allocation of SKr 598m to reserves brings the bank's total reserves up to SKr 2,795m.

The nominal value of the bank's shares is to be changed from SKr 100 to Skr 20 through a five-for-one split.

● AGA, the Swedish gas, heat engineering and welding concern, reports that the company's turnover for 1978 amounted to SKr 3.6bn, better than forecast and an increase of 14 per cent. Operating costs increased from SKr 2.0bn to SKr 3.1bn. Pre-tax profit amounted to SKr 234m compared with SKr 201m in 1977.

The board proposes a dividend of SKr 6 per share which after adjustment for last year's bonus issue amounts to SKr 5. Also proposed is a new bonus issue of one new share for every five held. This bonus issue will raise the capital from SKr 257m to SKr [illegible].

Italian banks come to rescue of SIR

BY PAUL BETTS IN ROME

AN ITALIAN banking consortium led by the country's largest medium term credit institution, Istituto Mobiliare Italiano (IMI), has finally been formed after months of painful negotiations to rescue Societa Italiana Resine (SIR), one of the country's major chemical groups on the verge of bankruptcy.

The consortium will effectively take control of the chemical company whose overall debts are currently put at some L3,300bn ($3.93bn). The banking consortium will supervise the management of the company, and formulate a financial recovery programme for SIR, which has an annual turnover of some L800bn.

The agreement reached between the banks together with the Bank of Italy and the Treasury will see the stake of SIR's major shareholder, Sig Nino Rovelli, drop to about 8 per cent.

The rescue plan comes concurrently with the approval of a new decree law to suspend liquidation proceedings and attempt to rescue financially troubled groups. This enables the industry minister to appoint a special commissioner to take interim control of a company with more than L20bn of accumulated debts if no alternative rescue plan in the form of a banking consortium is put forward.

The new decree law is a revision of similar legislation proposed last summer but not approved by parliament.

The new legislation is now expected to apply to the Liquichimica chemical group which is also in financial difficulties.

Both SIR and Liquichimica have large investments in southern Italy and have been at the centre of a growing political controversy following allegations of financial irregularities and the misuse of low interest rate state subsidised funds. For several months production has been stopped at several of the two companies' plants causing growing labour agitation, especially in the islands of Sardinia and Sicily and depressed regions like Calabria and Campania.

The difficulties in reaching agreement over rescue plans for the two groups follow in large measure the reluctance of the banking system to pump fresh money into the troubled companies.

However, there are now signs of a possible recovery programme for one of the main Liquichimica plants at Augusta in Sicily. Production at this plant has now started again and under the supervision of a government appointed commissioner there are now plans to seek an eventual buyer for Augusta. But prospects for the Liquichimica plant at Saline in Calabria, which is also designed for the production of bioproteins for animal feed, still appear dim.

Dutch salvage operator sees competitive threat

BY CHARLES BATCHELOR IN AMSTERDAM

THE OCEAN towage and salvage group Smit Internationale faces increasing competition in areas of activity which were previously too specialised for many companies. The Dutch concern, which limits itself to the non-conventional services to the shipping and offshore industries, must therefore develop new initiatives, Mr. Pieter Kleyn van Willigem, managing board chairman, told a Press conference.

New areas are underwater cleaning and inspection, cable laying in a trench dug in the seabed by an underwater plough and an unmanned submarine the company is developing for underwater repair and recovery work. Overcapacity in some sectors and a fall in the number of towing contracts depressed the company's 1977/1978 result. Net profit fell to Fl 16.1m ($8m) from Fl 35.4m. In the year ended September 30 while turnover was practically unchanged at Fl 459m ($230m). Two-thirds of this profit was made in the second half when business improved.

The Fl5m profit in the first six months was almost entirely due to a tax credit. The second half upturn was largely the result of a number of large towing and recovery contracts, including the salvaging of 41 wrecks in the Middle East. Prices in the traditional ocean towing operations came under pressure in the final quarter though.

After delays in the payment of government investment premiums for a number of vessels ordered by the company, Smit has appealed to the Council of State.

The Smit board declined to forecast the likely result in the current year. However, the deep point of the world shipping recession appears to have passed while the offshore sector is now reasonably active, Mr. van Willigem said. The company expects to invest a similar amount in 1978-79 to the Fl47m last year.

Overcapacity exists for supply vessels in the North Sea but Smit now employs half of its fleet in other areas in response to the expansion of oil exploration internationally. The decline of activity in Rotterdam harbour depressed its harbour and coastal towing operations while high Dutch wage rates make it difficult for Smit to complete internationally.

Danes reject shipping debt demands

By Hilary Barnes in Copenhagen

The Danish Government has rejected a plea from shipping companies for a general two-year moratorium on mortgage payments to the Ship Mortgage Institute. The Government also said it will not permit shipping companies to make loans abroad to finance current operations.

With several shipping companies in financial trouble, especially among the owners of the fleet of 600 small and "coaster freighters," the Government decision disappointed owners. But the Government indicated a moratorium would cost too much and would apply to companies not in need of assistance, including the A. P. Moeller, Lauritzen and East Asiatic Company's fleets.

Luxembourg bank move

LUXEMBOURG — The Government plans to raise the minimum subscribed capital for banks to LuxFr 350m from the current LuxFr 250m. The Government is considering this move and awaits the opinion of the upper house of parliament.

Legislation enabling the government to do this has been in existence since 1962 but this is the first time the Government has considered making a ruling on subscription capital explicit.

Current practice since about 1972 established a minimum subscribed capital of LuxFr 250m. The latest Government moves will be combined with an explicit Government ruling on powers to check the commercial viability of anyone wishing to set up a bank in Luxembourg.

Reuter.

Sharp earnings recovery expected by Aer Lingus

BY OUR DUBLIN CORRESPONDENT

THE IDEA of a shuttle service between London and Dublin has been rejected after a feasibility study by British Airways and Aer Lingus, according to the Irish airline's chief executive, Mr. David Kennedy.

He was commenting on the company's annual report which showed profits last year of about £4m. The company estimates that it lost £3m in profits because of the 54-day strike by clerical workers last year and hopes to top £7m in the coming year.

The idea of the shuttle service, similar to that operated on the London-Glasgow and London-Belfast routes, has often been proposed by passengers concerned at the high scheduled fares—now £72 return. But Mr. Kennedy said the study showed a high proportion of passengers making use of concession fares, such as Aer Lingus's APEX, and these would not be available on a shuttle service because of the economics of keeping standby aircraft and crews.

He warned that transatlantic fares would probably rise by about 5 per cent this year. Aer Lingus has made losses on this route since 1971 but hopes to cut these by increasing its share of the market by making available 20 per cent more seats through the purchase of a new jumbo jet next April.

The airline hopes to avoid further cross-channel fare increases this year but Mr. Kennedy thought this would be a "very difficult line to hold". But there will be expansion here as Aer Lingus uses its recent £15m injection of equity capital from the Irish Government

Veba's exploration programme

BY JON FEDLER, RECENTLY IN EGYPT

WEST GERMANY'S state-backed oil company Veba plans a major increase in its oil exploration and production activities to boost profitability by the mid-1980s. Largely through its 54 per cent subsidiary Deminex, it plans exploration and production investment of DM 4bn ($2.15bn) which compare with total Deminex outlays of DM 2.7bn over the past decade.

In addition, Veba hopes to use an undisclosed part of the DM 800m cash flow which could emerge from its energy deal with Deutsche BP (turned down by the Federal German Cartel Authority, but awaiting a final verdict from Bonn) to expand the company's own, modest downstream activities.

Veba's strategy will include possible acquisitions of companies with captive oil sources, buying into existing oilfields — notably in the UK and Norwegian sectors of the North Sea — and industrial co-operation agreements with producer countries.

These goals were outlined by company president Dr. Fritz Oschmann at a press conference last week at the Red Sea resort of Hurghada, Egypt. The choice of venue was symbolic. For a consortium operated by Deminex, with Shell and BP as partners, has made a significant (14,500 b/d) oil find in Block EE 85/1 in the eastern part of the Gulf of Suez, about 100 km north of Hurghada.

Deminex president Dr. Ernst Hotz termed the find "a real breakthrough." At the same time tests were underway to determine the economic viability of several smaller finds made by the consortium in both the eastern and western sections of the Gulf, he added. The consortium is meanwhile negotiating with the state-owned Egyptian General Petroleum Company on the formation of a joint venture subsidiary to produce oil from Block EE 85/1.

Oschmann gave no detailed breakdown of where the DM 4bn will be spent. Privately, however, Veba sources say 33 per cent to 40 per cent will be invested in the UK sector of the North Sea.

This year Deminex will drill test wells off the south coast of Vietnam, Indonesia, Argentine and Borneo. It will decide shortly whether or not to build production facilities in its Abadan offshore block (Iran).

In Venezuela, Deminex is a member of a German consortium seeking ways of increasing extraction of oil from tar sands by underground steam stimulation. In Canada it is having exploratory talks on a participation in the Athabasca tar sands project. In Algeria it has made what it calls a "very promising" oil discovery.

In 1978, Veba was able to supply only 12 per cent of its 16 to 17 Mte/yr crude oil requirements from company-owned sources. Increasing production from the North Sea Thistle field (Deminex share 41 per cent) will raise this to about 25 per cent next year. By the mid-1980s, however, Oschmann would like Veba to reach a self-sufficiency level of 68 per cent. The remaining third would come from long-term supply contracts such as that negotiated last year with BP. In relation to the oil self-sufficiency levels of its competitors, Oschmann said, Veba's situation was "lamentable."

INTERNATIONAL COMPANIES and FINANCE

ICI Australia plans big expansion

BY JAMES FORTH IN SYDNEY

ICI AUSTRALIA plans a A$900m (US$1.02bn) expansion of its petrochemical activities over the next decade to consolidate its leadership in the industry. The proposal involves a new A$400m ethylene cracker at the existing petrochemical complex at the Sydney suburb of Botany and a completely new A$500m petrochemical complex at Point Wilson, Victoria.

The Botany expansion will take place first and is expected to be completed by 1983. The Victoria project will also involve an ethylene cracker and will initially produce caustic soda, chlorine, ethylene, ethylene dichloride and vinyl chloride monomer. It is expected these developments will be completed progressively from 1984.

The ICI proposal almost certainly means that Dow Chemical will abandon an investigation of a petrochemical complex at Redcliffe in South Australia, based on feedstock from the Cooper Basin gas and liquids fields.

The South Australian government has been keen for Redcliffe to go ahead and recently obtained approval to borrow up to A$186m overseas to help provide infrastructure for the project.

However, ICI is interested in the Cooper Basin liquids as one source of supply for Botany. This would require a liquids pipeline to Adelaide and a separation plant.

ICI feels the proposed Botany ethylene plant would offer the combined economic benefits of scale, proximity to major markets and integration in an established petrochemical complex. The plant would provide the raw materials for the expanded production of polythene and polypropylene plastics, and of the company's range of ethylene oxide chemicals.

Production of ethylene in Australia at present is between 250,000 and 260,000 tonnes a year. Demand is running at 290,000 tonnes annually, forcing the import of about 30,000 tonnes. ICI produces 100,000 tonnes at its Botany plant, while Altona Petrochemical (APC), owned jointly by Esso and Mobil Oil, produces 160,000 tonnes at Altona, Victoria, where Australia's only other petrochemical complex is located.

APC has also been considering building a major new ethylene cracker at Altona to cater for increased growth. Mr. R. C. Gillham, a director of the company, said today he expected APC would proceed with a 100,000 to 200,000 tonnes a year plant at a cost of about A$300m.

ICI expects the ethylene market to grow at 8 per cent annually in the early 1980s and then drop to 6 per cent, reaching 600,000 tonnes a year by 1990.

The new Botany plant will have a capacity of 250,000 tonnes a year, but would add only 150,000 tonnes to production, as it is planned to progressively phase-down the existing plant. At this stage Pt. Wilson is expected to have an initial capacity of between 100,000 and 200,000 tonnes per annum.

If APC persists with its expansion it seems likely there will be excess capacity by 1990.

ICI expects to raise the A$900m required for the expansion plans from a variety of sources. These will include going to shareholders for further equity capital, utilisation of the company's internally generated cash flow and outside borrowing from either local or overseas sources, or both.

India reveals business data on major industrial group

BY K. K. SHARMA IN NEW DELHI

RECENT STATEMENTS by Indian Cabinet Ministers on checking the growth of the large industrial groupings or so-called "monopoly houses" have assumed new significance with the publication of data by the Government of the assets, profits and turnover of the 82 major business groups in the country.

The data, covering the period from 1972 to 1976, show that the House of Birlas, a family-owned concern with some 70 companies under its wing, increased its profit before tax by as much as Rs 730m (about $90m), its turnover by Rs 5.2bn and assets by Rs 3.85bn. This surpassed the expansion of any other industrial house.

Since statements have been made by some ministers seeking nationalisation of such key industries as automobiles and aluminium—major units of which are owned by Birlas—the publication of the data appears to have political implications. Much of the increase in the size of the Birlas came during the period of Mrs. Gandhi's emergency period.

The published data shows that the Tata group is the largest in India with total assets of Rs 9.8bn, while its turnover increased by Rs 4.45bn between 1972 and 1976. But its profits before tax rose by just Rs 72m during the period for which the data has been published.

Some ministers have also recently sought nationalisation of the steel industry. This really implies takeover of Tata Iron and Steel (Tisco) which runs the only privately owned integrated steel plant in the country. There is considerable opposition to the move, mainly because it is Tata-managed rather than Tata-owned and is easily the most efficient steel company in India.

The data shows that the assets of the 82 large industrial houses increased by Rs 33.9bn during 1972 to 1976 and their pre-tax profits by about Rs 3.7bn.

A "large industrial house" has been defined as one which by itself, or together with interconnected undertaking, as defined under the Monopolies and Restrictive Trade Practices Act, has total assets of Rs 200m or more.

Reunert and Lenz shifts profit centre

BY JIM JONES IN JOHANNESBURG

INCREASING economic activity in South Africa should more than offset the effects of declines in Zambia and Rhodesia on Reunert and Lenz's profits in the year to June 30, 1979. In its interim report for the six months to end-December 1978 the R90m ($103.4m) turnover mechanical and electrical engineering contracting and merchandising group reported marginally lower first half turnover of R39.4m against R40.9m in the corresponding period.

In fiscal 1978, the group reported turnover of R91.5m and an after-tax profit of R3.3m, of which 87 per cent was earned in South Africa. Now, after a first-half taxed profit of R1.64m against a comparable period return of R1.61m management is projecting a modest increase in profit for the full year. But this is not without changes in the profit mix.

Last year several major contracts were brought to account in the second half and the contribution of this activity is expected to be lower this year. At the same time, the Rhodesian and Zambian subsidiaries are making increasingly heavy weather of economic declines in those two countries.

Even so South African merchandising operations are picking up fast, helped by new subsidiaries manufacturing heat exchangers and mine blasting barricades.

Reunert and Lenz is highly conservative in its financing policies. Debt is a minimal part of its overall capital structure and in the year to June 30, 1978, earnings per share of 93 cents covered the 28.5 cents total dividend 3.3 times.

After first half earnings of 45 cents a share and 12 cents interim dividend, the directors believe this year's total payout should reach 30 cents.

Pertamina sells its non-oil subsidiaries

JAKARTA — Indonesia's state-owned Pertamina Oil Company has divested itself of all non-oil subsidiaries in a move to wipe out the last traces of the scandal that nearly bankrupted the enterprise in 1976, according to president-director Piet Haryono.

Mr. Haryono told parliament that Pertamina has cut its ties with its former airline service, hotel chain, sea transport, telecommunications service and fertiliser company.

Pertamina had to be bailed out by the Government in 1976, when it ran into serious liquidity problems and was left with debts of almost $8bn.

In his statement to parliament, Mr. Haryono said that Pertamina had not yet determined how the divesting would affect the company's financial situation.

Pertamina was pushing hard to attract more foreign and domestic investors to enable the company to meet its ambitious production goals over the next five years, he said.

At present, Indonesia's oil production is down to 1.6m barrels a day from a record 1.7m barrels early last year, and the mining ministry has predicted another drop of about 5 per cent this year.

Reuter

PHILIPPINE COMMODITIES

Divestiture by Ayala

BY LEO GONZAGA IN MANILA

AYALA CORPORATION, the real-estate based conglomerate which has just sold its majority holding in the Legaspi group of coconut-based companies, suffered a slide in both sales and profits last year.

Preliminary figures show that Ayala's net profits declined by 10 per cent to 130.1m pesos ($17.7m) from 143.1m pesos, although this was a gentler fall than the 17 per cent by which sales declined to 223.4m pesos from 272.4m pesos.

One likely reason for the drop in investment income, which helped to pull down the Ayala result, was the unfavourable turn in the fortunes of Legaspi Oil Company, the leading unit in the six-member Legaspi group. Ayala also earned less from its construction activities, though it benefited from a rise in interest income.

Ayala bought Legaspi Oil from a group of American investors in 1974. There was a commodity market boom then, but several individuals and entities were divesting even in areas not covered by the 60 per cent minimum Filipino ownership requirement because of the expiration in July of that year of the so-called parity rights for Americans in the Philippines. Legaspi, a crude coconut oil miller and exporter, earned 32m pesos net in 1975 and 42m pesos in 1976.

Because of the ensuing export slump, plus an over-expansion in local coconut oil milling capacity which began to outrun copra supply, net profits of Legaspi Oil plummeted to 1.2m pesos in 1977. Last year's figure is not yet available, but the company is believed to have incurred a net loss.

During a recent meeting between foreign businessmen and President Ferdinand E. Marcos, there was promise of relief for the coconut oil milling industry. Mr. Marcos said he would raise by 6 to 7 per cent the present 7 per cent tax on copra exports. The President added that he was also considering the possibility of removing the current 4 per cent tax on coconut oil exports. The twin measures still have to be finalised into Presidential decree form, but industry quarters at this point are uncertain how effective the relief will be.

Bank of China details foreign banking links

TOKYO — The Bank of China has established correspondent relations with 328 banks and their 2,277 branches in 139 foreign countries and regions, Peking's official Hsinhua News Agency said.

During the last two years, Hsinhua said, the bank has introduced or expanded such international monetary services as inter-bank deposits, buyers' credits and bank credits. Last year, 75 foreign banks sent delegations to China, the Peking report said.

AP-DJ

Steelbrite makes higher loss in first six months

BY OUR JOHANNESBURG CORRESPONDENT

STEELBRITE, the troubled kitchen manufacturing subsidiary of Johannesburg Consolidated Investment (JCI), made a trading loss of R1.17m ($1.34m) in the six months to last December compared with a smaller deficit of R152,000 in the same period of the previous year.

JCI said, when announcing its 65 cents a share offer to the 36.3 per cent minority holders of Steelbrite, that the latter was budgeting for a R2m loss in the year to June 30, but the latest results appear to put this estimate on the low side.

At present there are few signs of an imminent improvement in South African housing starts, so that Steelbrite is operating in an increasingly competitive market.

Although it has cut back on staff and begun tidying up its balance-sheet through sales of plant and equipment, a recovery could take anything up to two years.

Japanese banks asked to restrain lending for land

TOKYO — The Japanese Finance Ministry said it has asked Japanese financial institutions to apply self-restraint in lendings to real estate agents and other borrowers for land acquisitions.

In a verbal statement to representatives of the Federation of Bankers' Associations and other organisations, Mr. Hiromi Tokuda, director of the Banking Bureau, said that banks should act in line with the Ministry's circular issued in November 1972, in a previous period of inflation in Japan, against loans for speculative purchases of land, the Ministry said.

The circular was issued after the Ministry found cases of possible lendings for speculative land purchases in hearings with individual banks, but this time no such hearings have so far been conducted, the federation said.

The governor of the Bank of Japan, Mr. Teiichiro Morinaga, also told a Press conference that the bank was urging Japanese financial institutions to use caution in lendings for land acquisitions.

A survey by the bank showed that loans to real estate agents have increased to a level about 10 per cent above a year ago, compared with the previous year-on-year increase of 3 to 6 per cent in calendar 1977 and 8 to 9 per cent in 1978, he said.

He also said that land prices in the metropolitan area had risen considerably in recent months.

Mr. Morinaga also said that the Bank of Japan would have to shift the emphasis of its policy gradually to preventing price increases rather than encouraging business recovery.

For the time being, however, the bank will continue its present easy-money policy, at the same time getting ready to adjust its policy flexibly whenever necessary, he said.

Reuter

VONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	30.1.79	6.2.79	AVERAGE YIELD	30.1.79	6.2.79
DM Bonds	103.62	103.52	DM Bonds	6.723	6.740
HFL Bonds & Notes	99.30	99.41	HFL Bonds & Notes	8.488	8.465
U.S. $ Strt. Bonds	96.60	96.60	U.S. $ Strt. Bonds	9.424	9.416
Can. Dollar Bonds	95.61	96.23	Can. Dollar Bonds	10.255	10.116

Rothmans Malaysia ahead

BY WONG SULONG IN KUALA LUMPUR

AFTER SUFFERING a 10 per cent drop in profits during the last financial year, Rothmans of Pall Mall Malaysia has managed to check the slide, and recorded a modest increase in profits of 6.6 per cent for the first half ending December.

The group's net profit of 5.87m ringgits ($2.7m), compared with 5.50m ringgits previously, was achieved on a 1.5 per cent increase in turnover to 114m ringgits.

The board said that improved profitability was expected to continue during the second half.

Tfachot ahead

By L. Daniel in Tel Aviv

TFACHOT, Israel's largest mortgage bank, reports that its net earnings in the first half of the current fiscal year rose by 84 per cent nominally, and by 20.4 per cent in real terms.

America's many attractions for foreign investors

BY DAVID LASCELLES IN NEW YORK

FOREIGN businessmen are *making the most of their opportunities* to snap up American assets at a time when the dollar *is having a rough passage.*

In fact the more favourable exchange rate probably had less to do with it than is widely supposed. But acquisitions last year sharply accelerated, a trend which has been visible since the early 1970s and has made foreign investment a force to be reckoned with in the U.S. economic scene.

Last year saw one of the most dramatic foreign spending sprees the country has witnessed. Foreigners set new records for investment in manufacturing and banking, and *probably in retailing too* (if a large West German deal comes off). They bought up hotels, *real estate* and *housing* on a scale that was compared (not quite justifiably) with the Arab invasion of the London property market.

One Wall Street investment banker who has been deluged with foreign merger business in the last 12 months said: "The U.S. has become the bargain basement of the world." In *fact,* foreign acquisitions reached such a pitch that Congress passed a bill to curb the activities of *foreign* banks. Many Americans are confused by the conflict between patriotic alarm against and their equally strong commitment to free enterprise.

Typical recent acquisitions included the Hong Kong and *Shanghai Bank's* $260m stake in Marine Midland; the Cavenham group's $133m bid for Colonial Stores. BAT's $280m purchase of Appleton Papers; and the German Flick group's decision to increase its stake in W. R. Grace, the fifth largest U.S. chemical company, from 12 to 31 per cent at a cost of $225m.

Newsweek, in a recent survey of the surge of foreign investment entitled "The Selling of America," said that foreigners now lease 60 per cent of *Manhattan's* exclusive Fifth Avenue shopping mile.

According to the New York Conference Board, a business research organisation, foreigners announced 358 investment projects in manufacturing in 1978, the greatest number since the last war, and probably the greatest ever. Complete figures are not *collated, but the Commerce* Department, which put foreign investment in the U.S. at an aggregate $310bn in 1977 (excluding securities, homes, and small businesses) has just launched a survey to put together a full picture which is expected to show a sharp rise.

The current state of the dollar is not—as is popularly supposed—the only, or even main reason for the fashionableness of a U.S. acquisition. A survey of foreign investors by a New York bank threw up more than a dozen, many of them (like "the size of the U.S. market") relating to less fleeting considerations than the dollar's fortunes. Furthermore, investment is not only coming from countries with *strong* currencies, which suggests that the relative price of U.S. assets is not decisive in investment decisions. Britain, France and Canada were just as active as *Germany and Japan.*

All this leads observers to argue that the surge could mark something more substantial than a rush for the January sales. For instance, Citibank, New York's largest, has just set up a new department to handle the financing of foreign acquisitions. And most foreign banks view *this business as a major* reason for opening up U.S. operations of their own.

The survey puts foreigners' motives into four broad categories.

1—Size. The market of 220m is roughly as big as the EEC, the U.S. still has the advantage of a uniform language, legal system, government policy, and accounting requirements. It also enables producers to achieve much higher productivity gains, hence better profit performance, than elsewhere, helped by the ready availability of management, technology, and labour, along with well-developed transport and marketing services.

2—**Stability.** Most foreign businessmen view the U.S. as *the last bastion of free enterprise,* with stable government, investment security, a well-defined legal process, and relatively little labour unrest.

3—Fear of U.S. protectionism. America's problems with cheap imports, particularly from the *Far East* (though also from Europe with such things as steel) is an incentive to be on *the right side of import* barriers, if they come. This fear is probably exaggerated, but it would weigh in a finely balanced decision. Attempts have been made to legislate against foreign takeovers, but none has so far succeeded, though foreigners are barred from buying into sensitive sectors like defence and broadcasting. *Last year's* International Banking Act reduced the scope for foreign banks in the U.S.—but by plugging gaps in the law which gave them special privileges rather than by discriminating against them. As a consolation the Act promised to "grandfather" or leave untouched existing foreign bank operations which explains last year's banking takeover scramble as Europeans and Japanese raced to beat the *deadline.*

4—The weakness of the dollar the decline of which has reduced the relative cost of both assets and labour to outside investors. The low valuations of most U.S. stocks was an extra attraction. One might add that foreign *investment gains its own* momentum as incoming businesses attract their competitors. *Similarly,* when a large concern like Volkswagen sets up a production facility in the U.S., many of its suppliers move in at the same time.

Most investors, of course, act on the basis of more than one motive. A German, for instance, *might* be *impelled by the* strength of the D-Mark, the high cost of German labour, and the *limited* scope for expansion in Europe. The Briton would be more concerned with investing in a productive economy, taking advantage of the cultural and other similarities between Britain and the U.S., or diversifying geographically.

This last reason was stressed by *Thomas* Tilling, the British concern, which is among the most conspicuous new entrants into the *U.S. market. Having* set itself the goal of earnings 40 per cent of its profits outside the UK, it has launched a *major* U.S. acquisition programme for two years which so far has netted it six companies at a cost of nearly $100m, mostly financed in the Euromarkets.

According to Mr. Donn Hartley, Vice-President in Tilling's New York office, the U.S. was chosen partly because the concern had already expanded into Europe, partly because the U.S. was a good place to do business.

"This is a continuing programme which we are pursuing regardless of the dollar-sterling exchange rate," he says. "We see a big market for our products here. . . But it's not a market you can export to. You have to have your own production facilities here."

> The U.S. market is so big that you only have to have a small share of it to pick up a very large chunk of business.

Whatever their motives, foreigners have been a big factor in the merger wave which has swept the U.S. in the last two years. According to Mr. James Maclane, of Citibank's merchant banking group, "from our experience, half the potential buyers in any merger or sale situation today are foreigners."

Another Wall Street merger specialist reports that during Occidental's recent $1bn takeover battle for Mead, the large forestry products company, a competing bid was sought not in the U.S. but in Europe. In fact, the whole deal fell through. But not long ago, it might never *have occurred to a U.S.* investment bank to interest a *foreign* concern in a domestic takeover. In fact, foreigners are welcome participants in takeovers since they normally pay a premium to get into the U.S. market, willingly or not.

But with most of the giant European and Japanese corporations already in the U.S., and banks now *restricted,* where are the future investors to come from? Mr. Michael Cannon-Brookes, an Englishman who heads Citibank's new Foreign Acquisition Department, argues that the trend had already moved strongly towards medium-size companies, and he expects most of his work to be in this area.

"The *U.S.* market *is so big,* you only have to have a small share of it to pick up a very large chunk of business," he said. The main problem, he believes, is that the smaller companies have less international experience, and need more help and advice. Some have never heard of anti-trust laws and take offence when their plans run foul of them.

Typical of stringent U.S. legislation is the newly-passed Hart-Scott-Rodino Act on takeovers which requires companies making acquisitions over a certain size to disclose information about themselves, their finances and their motives. Although the information is treated confidentially, the act *could* discourage takeovers from countries with less severe disclosure laws. So far, however, *there is no evidence of this* happening.

Although the New York banks are bound to be bullish about the prospects for U.S. investment since this has become a large part of their bread and butter, their view seems to be widely shared in *industry.* A British magazine, the Annual Investment File, has just reported that big European companies overwhelmingly favour the U.S. as a place to do business. The major European countries came very poor seconds, all of which seems to suggest that the flow of capital eastwards across the Atlantic may finally have been reversed.

PUBLIC NOTICES

CLWYD C.C.
£1m Bills, issued 6th February, due 7th May, 1979, at 12⅞%. Applications totalled £5m. £3m Bills outstanding.

HAMPSHIRE COUNTY COUNCIL BILLS
£3,000,000 Bills, issued 7.2.79, maturing 9.5.79 at 12⅜%. Applications totalled £20,000,000 and there are £30,500,000 Bills outstanding.

HERTFORDSHIRE COUNTY COUNCIL
£3.0m 91-day Bills, issued 7.2.79 to 9.5.79 at 12⅜%. Applications totalled £9.5m. No others outstanding.

LEICESTER CITY COUNCIL
£1.9m 91-day Bills, issued 7.2.79 to 9.5.79 at 12⅜%. Applications totalled £9.6m. No others outstanding.

Companies and Markets **CURRENCIES, MONEY and GOLD**

Dollar continues to decline

The recent deterioration of the dollar showed no signs of abating yesterday, as confidence in the currency evaporated. After opening at its best level against most currencies, it eased right through the day, and in the last hour or so fell sharply, as New York carried on the bearish trend. The continued crisis in Iran was seen as the main factor behind the dollar's poor performance and its trade weighted average depreciation on Morgan Guaranty figures, at noon in New York, widened to 9.1 per cent from 8.4 per cent on Tuesday. On Bank of England figures its index fell from 84.4 to 83.6.

Against the D-mark it fell to DM 1.8310 before closing at DM 1.8390, against DM 1.8600 previously. Similarly against the Swiss franc it touched a low point of SwFr 1.6500, before closing at SwFr 1.6555, sharply lower than Tuesday's finishing level of SwFr 1.6840. The Japanese yen showed a strong improvement to Y195.80 from Y199.0, while the French franc rose to FFr 4.2225 from FFr 4.2712½. Various central banks may have intervened from time to time in support of the dollar and the Fed entered the market in New York in an attempt to arrest the decline.

Sterling opened at $2.0040 and rose steadily during the day to touch a high point of $2.0177½ late in the day, when the dollar was falling sharply. It closed at $2.0135-2.0145, a rise of 1.9c. Its trade weighted index rose to 63.5, a level held all day, from Tuesday's close of 63.4.

FRANKFURT—In line with its performance in other centres, the dollar fell sharply yesterday, and was fixed at DM 1.8469, well down from Tuesday's level of DM 1.8600. During the morning it touched DM 1.8450 and this probably persuaded the Bundesbank to lend a hand, although not on any appreciable level. Trading was described as active, with the U.S. unit affected by the continued sharp rise in the bullion price.

NEW YORK—In early trading, the dollar continued to weaken after its easier trend in European centres. It seemed that the Federal authorities were already in the market giving support in rather hectic trading. There was nothing new to influence dollar movements, but dealers pointed out that just recently there had been a significant decline in dollar confidence. The D-mark was quoted at DM 1.8425 against DM 1.8565 on Tuesday, while the Swiss franc improved to SwFr 1.6605 from SwFr 1.6785. Sterling also showed an improvement to $2.0115 compared with $1.9995.

PARIS — Trading remained active yesterday as the dollar continued to fall against major currencies. The rise in bullion prices and the situation in Iran were behind the U.S. currency's decline and the French authorities may have given slight support. The dollar stood at FFr 4.2332½ towards the close, compared with FFr 4.2562½ earlier on and FFr 4.2770 on Tuesday. The French franc was also firm against sterling which slipped to FFr 8.5175 from FFr 8.5375.

ZURICH—Continued pressure pushed the dollar lower in early trading yesterday and this prompted a little intervention by the Central Bank to arrest the decline. Against the Swiss franc, the dollar was quoted at SwFr 1.6700 compared with SwFr 1.6795 earlier and DM 1.8462 against DM 1.8528. The deteriorating state of affairs in Iran contributed mainly to the dollar's fall.

TOKYO—The dollar continued to weaken against the Japanese yen and closed at Y197.625 yesterday, compared with Y198.95 on Tuesday. Uncertainty surrounding the situation in Iran was seen as one of the main factors for the dollar coming on offer, and at one point it fell to Y197.35. However towards the close of trading, the U.S. unit received some assistance from foreign banks which pulled it above its worst level. Volume in the spot market totalled $726m, with forward trading at $128m and swap dealings accounting for $677m.

THE POUND SPOT

Feb. 7	Bank rate %	Day's Spread	Close
U.S. $	9½	2.0040-2.0185	2.0135-2.0145
Canadian$	11¼	2.3940-2.4070	2.4010-2.4020
Guilder	6½	3.99-4.02½	3.99½-4.00½
Belgian F	[illegible]	58.35-58.85	58.40-58.50
Danish K	8	10.25-10.29	10.26½-10.27½
D mark	3	3.69½-3.73	3.70-3.71
Port. Esc.	18	94.00-95.00	94.50-95.00
Span. Pes.	8	138.95-139.40	139.00-139.10
Lira	10½	1,674-1,6790	1,678-1,679
Nrwgn. K.	7	10.17-10.21	10.19½-10.20½
French Fr.	9½	8.49-8.55½	8.49½-8.50½
SwedishKr	6½	8.71-8.76	8.71½-8.72½
Yen	3½	390-400	394-398
AustriaSch	3¾	27.10-27.30	27.22-27.17
Swiss Fr.	1	3.32½-3.38	3.33-3.34

Belgian rate is for convertible francs. Financial franc 59.65-59.75.

FORWARD AGAINST £

	One month	% p.a.	Three months	% p.a.
U.S. $	0.60-0.50c.pm	3.28	1.77-1.67c.pm	3.42
Canadian$	0.65-0.55c.pm	3.00	2.05-1.95c.pm	3.33
Guilder	2¾-1¾ c.pm	6.75	8-7 c.pm	7.5
Belgian F	25-15 c.pm	4.11	90-80 c.pm	5.82
Danish K	1½ orepm-½ore	0.6	3-1ore pm	0.78
D mark	3½-2½ pf pm	9.72	9¾-8¾ pf pm	9.85
Port. Esc.	40-110 c.dis	−10.13	55-255 c. dis	−6.54
Span. Pes.	30-80 c. dis	−4.75	85-185 c. dis	−3.88
Lira	2lirpm-par	−0.71	8-3 lire pm	1.07
Nrwgn. K.	3½-1½ ore pm	3.24	12-10orepm	4.31
French Fr.	4½-3½c.pm	5.65	15-12 c. pm	5.88
SwedishKr	4½-2½ ore pm	4.47	12½-10½ore pm	5.27
Yen	4.00-3.75y.pm	11.77	11.25-10.95 y pm	10.93
AustriaSch	20-10 gro pm	6.63	58-48 gro pm	7.81
Swiss Fr.	3¾-2¾ c.pm	11.69	11½-10½ c. pm	12.89

Six-month forward dollar 3.17-3.07c pm, 12-month 5.50-5.30c pm.

THE DOLLAR SPOT AND FORWARD

Feb. 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK	2.0040-2.0185	2.0135-2.0145	0.60-0.50c pm	3.28	1.77-1.67c pm	3.42
Ireland	2.0040-2.0185	2.0135-2.0145	0.60-0.50c pm	3.28	1.77-1.67c pm	3.42
Canada†	83.70-83.86	83.83-83.86	0.05-0.02c dis	−0.50	0.07-0.04c dis	−0.26
Nethlnd.	1.9880-2.0003	1.9895-1.9915	0.69-0.59c pm	3.95	1.99-1.94c pm	3.79
Belgium	29.03-29.17	29.04-29.06	4½-3½c pm	2.01	17½-16c pm	2.43
Denmark	5.0980-5.1315	5.1025-5.1050	0.75-1.25ore dis	−3.51	2.75-3.25ore dis	−2.36
W. Ger.	1.8410-1.8535	1.8430-1.8440	1.00-0.95pf pm	6.90	3.05-3.00pf pm	6.67
Portugal	46.98-47.20	46.98-47.08	27-37c dis	−8.16	50-115c dis	−7.02
Spain	69.06-69.45	69.06-69.11	24-34c dis	−5.38	87-107c dis	−5.66
Italy	833.50-836.50	833.50-834.00	1.55-1.95lire dis	−2.61	4.60-5.10lire dis	−2.30
Norway	5.0645-5.0875	5.0660-5.0670	0.70-0.20ore pm	1.07	1.90-1.50ore pm	1.34
France	4.2310-4.2575	4.2325-4.2350	1.15-1.05c pm	3.23	3.10-2.95c pm	2.55
Sweden	4.3335-4.3625	4.3410-4.3420	0.60-0.40ore pm	1.47	2.25-2.05ore pm	1.99
Japan	195.90-197.50	196.25-196.45	1.47-1.37y pm	9.12	3.95-3.85y pm	8.09
Austria	13.47-13.57	13.48-13.49	6.25-5.50gro pm	5.57	20.0-18.0gro pm	5.37
Switz.	1.6600-1.6775	1.6635-1.6650	1.38-1.31c pm	10.46	4.28-4.23c pm	10.31

† U.S. cents per Canadian $.

CURRENCY RATES

February 6	Special Drawing Rights	European Unit of Account
Sterling	0.644957	0.676455
U.S. dollar	1.28669	1.34855
Canadian dollar	1.53721	1.61708
Austrian schilling	17.5215	18.4350
Belgian franc	37.6743	39.5862
Danish krone	6.61680	6.94554
Deutsche Mark	2.39324	2.51253
Guilder	2.58367	2.71078
French franc	5.49545	5.76682
Lira	1079.85	1132.53
Yen	256.823	269.065
Norwegian krone	6.56212	6.88625
Peseta	89.5189	93.9732
Swedish krona	5.62284	5.91280
Swiss franc	2.16614	2.27520

CURRENCY MOVEMENTS

February 7	Bank of England Index	Morgan Guaranty changes %
Sterling	63.53	−40.7
U.S. dollar	83.56	− 9.1
Canadian dollar	78.66	−18.1
Austrian schilling	147.38	+19.7
Belgian franc	114.79	+15.0
Danish krone	119.28	+ 7.7
Deutsche Mark	150.53	+42.3
Swiss franc	194.96	+82.0
Guilder	124.95	+20.9
French franc	89.84	− 5.5
Lira	54.24	−49.4
Yen	146.79	+45.3

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Feb. 7	£	$		£ Note Rates
Argentina Peso	2,135-2,155	1060-1070	Austria	26.75-27.75
Australia Dollar	1.7640-1.7690	0.8795-0.8807	Belgium	59-60.
Brazil Cruzeiro	43.20-44.20	21.45-21.95	Denmark	10.20-10.50
Finland Markka	7.93-7.94	3.9530-3.9550	France	8.48-8.58
Greek Drachma	71.745-73.499	35.62-36.49	Germany	3.65-3.75
Hong Kong Dollar	9.63-9.65	4.7970-4.8000	Italy	1,650-1,700
Iran Rial	151.50-161.50	76½-81½	Japan	395-405
Kuwait Dinar (KD)	0.544-0.554	0.2700-0.2750	Netherlands	3.95-4.05
Luxembourg Frc.	58.40-58.50	29.29-30.03	Norway	10.12-10.22
Malaysia Dollar	4.39¾-4.41	2.1950-2.1990	Portugal	90-99
New Zealand Dlr.	1.8956-1.9015	0.9455-0.9478	Spain	140.50-145.50
Saudi Arab. Riyal	6.68-6.78	3.3168-3.3664	Switzerland	3.30-3.40
Singapore Dollar	4.3340-4.3465	2.1650-2.1670	United States	2.0050-2.0150
Sth. African Rand	1.7315-1.7556	0.8697-0.8720	Yugoslavia	40.5-42.5

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Feb. 7	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.014	3.705	395.0	8.500	3.335	4.000	1679.	2.402	58.45
U.S. Dollar	0.497	1.	1.840	196.1	4.220	1.656	1.986	833.4	1.192	29.02
Deutsche mark	0.270	0.544	1.	106.6	2.294	0.900	1.080	453.0	0.648	15.78
Japanese Yen 1,000	2.532	5.099	9.380	1000.	21.52	8.445	10.13	424.9	6.080	148.0
French Franc 10	1.176	2.369	4.359	464.7	10.	3.924	4.706	1975.	2.825	68.76
Swiss Franc	0.300	0.604	1.111	118.4	2.549	1.	1.199	503.3	0.720	17.53
Dutch Guilder	0.250	0.504	0.926	98.75	2.125	0.834	1.	419.6	0.600	14.61
Italian Lira 1,000	0.596	1.200	2.207	235.3	5.064	1.987	2.385	1000.	1.431	34.82
Canadian Dollar	0.416	0.839	1.543	164.5	3.539	1.389	1.666	698.9	1.	24.34
Belgian Franc 100	1.711	3.446	6,339	675.8	14.54	5.705	6.845	2872.	4.109	100.

EURO-CURRENCY INTEREST RATES

Feb. 7	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	11⅞-12⅛	10⅛-10⅜	8¾-9¾	6⅝-6⅞	par-⅛	3¼-3⅜	6¾-7	7-10	—	1⅛-⅝
7 day's notice	12¼-12¾	10⅛-3⅛	8¾-9¾	6⅝-6⅞	par-⅛	3¼-3⅜	6¾-7	10-11	10⅜-10½	½-1
Month	13⅛-13⅜	10⅛-10⅞	10⅛-10⅝	6⅜-6⅝	par-⅛	3½-3⅝	7⅝-8	12-13	10¼-10⅝	⅞-1⅛
Three months	13⅞-14⅛	10⅝-10⅞	10⅝-11	6⅜-6⅝	⅛-⅞	3⅞-3⅞	8½-8¾	12½-13½	10⅝-10⅞	2⅝-2⅞
Six months	13⅞-13	11 11¼	11⅛-11⅝	6¼-6½	¼-⅝	3⅞-4	9⅛-9	13¼-14¼	10⅞-11⅛	3-3⅜
One year	13⅞-13⅞	11-11¼	11⅛-11⅝	6½-6¾	⅞-⅞	4⅛-4⅛	9⅜-9⅝	13¾-14¾	10⅞-11	3⅛-3¾

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.50-10.60 per cent; three months 10.80-10.90 per cent; six months 11.00-11.10 per cent; one year 11.00-11.10 per cent.

Long-term Eurodollar deposits: two years 10⅞-10⅞ per cent; three years 10⅞-10⅞ per cent; four years 10⅞-10⅞ per cent; five years 10⅞-10⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

Paris call money firmer

European interest rates were generally firm yesterday, with call money in Paris rising to 7 per cent, the highest level since January 18. The rise from 6¾ per cent a week ago has been brought about by the failure of the Bank of France to intervene during a period of tight liquidity. The authorities are expected to inject liquidity into the market sometime this week, and call money should then retreat back to around the 6½ per cent level. The rate is likely to remain between 6 per cent and 7 per cent in the immediate future, unless an adjustment is brought about by movements in the foreign exchange market. Earlier this month the Economics Minister said that no fall in interest rates is envisaged.

Apart from the rise to 7 per cent from 6¾ per cent in call money, other money market rates were also firm in Paris. One-month rose to 6 11/16-6 13/16 from 6⅝-6¾ per cent; three-month to 6¾-6⅞ per cent from 6¾-6 13/16 per cent; and six-month to 6⅞-7 per cent from 6 13/16-6 15/16 per cent.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were steady. One-month money was unchanged at 8⅝-8⅞ per cent; three-month was 8 7/16-8 11/16 per cent, compared with 8⅜-8⅝ per cent previously; while six-month and 12-month were unchanged at 8⅜-8⅝ per cent.

FRANKFURT — Call money eased to 3.90-4.00 per cent from 3.95-4.05 per cent, but period rates were slightly firmer. One-month was quoted at 3.80-3.90 per cent, compared with 3.75-3.90 per cent; three-month at 4.10-4.20 per cent, compared with 4.05-4.20 per cent; six-month at 4.20-4.30 per cent, against 4.15-4.30 per cent; while 12-month was unchanged at 4.50-4.70 per cent.

AMSTERDAM — Call money eased to 7¼-7¾ per cent from 7½-7¾ per cent, and period rates were also slightly easier in general, although one-month money was unchanged at 7¼-7½ per cent. Three-month fell to 7¼-7½ per cent from 7⅜-7⅝ per cent, and six-month to 7¼-7½ per cent from 7¼-7⅝ per cent.

NEW YORK—The Federal Reserve continued to add liquidity to the banking system, by way of further overnight repurchase agreements, with Federal funds around 10⅜ per cent, compared with the Feds probable target rate of 10-10½ per cent.

GOLD

Record level

Gold continued its dramatic rise in the London bullion market yesterday and closed $6⅜ firmer at a record closing high of $250-251, easily beating the previous record of $244¾-245¼ set up on October 30 last year. The metal opened at its low point for the day of $245¾-246½ and improved in very active trading, principally on the weakness of the dollar. At the morning fixing, the metal stood at $249.0 and rose to $251.60 at the afternoon fixing. It reached an all-time high soon after of $251½-252½ and with the opening of New York markets, gold continued to climb.

In Frankfurt the 12½-kilo bar was fixed at DM 14,830 per kilo ($249.74 per ounce) compared with DM 14,500 ($242.47) on Tuesday.

	February 7	Febuary 6
Gold Bullion (fine ounce)		
Close	$250-251	$243¾-244½
Opening	$245¾-246½	$243½-244¼
Morning fixing	$249.00 (£123.899)	$242.55 (£121.561)
Afternoon fixing	$251.60 (£125.031)	$244.50 (£122.693)
Gold Coins, domestically		
Krugerrand	$287-289 (£142½-143½)	$275¼-277¼ (£138-139)
New Sovereigns	$70-72 (£34¾-35¾)	$68¼-70¼ (£34¼-35¼)
Old Sovereigns	$72½-74½ (£36-38)	$71½-73½ (£35½-36¾)
Gold Coins, internationally		
Krugerrand	$257-260 (£127½-129)	$251-253 (£125¾-126¾)
New Sovereigns	$64¼-66¼ (£31¾-32¾)	$63½-65½ (£31¾-32¾)
Old Sovereigns	$72½-74½ (£36-38)	$68¼-70¼ (£34¼-35¼)
$20 Eagles	$322-324	$312-317
$10 Eagles	$175-180	$169-174
$5 Eagles	$117-122	$115-120

UK MONEY MARKET

Nervous trading

Nervousness about a possible rise in Bank of England Minimum Lending Rate in the near future continued to influence the London money market yesterday. Three-month money in the interbank market rose to 13⅞-14 1/16 per cent from 13¾-13⅞ per cent and other rates were also firmer, although market sentiment seemed to point towards a probable holding of MLR at 12½ per cent for this week at least.

Day-to-day credit was in slightly short supply yesterday, and te authorities gave a small amount of assistance by buying a small number of Treasury bills, and a small amount of local authority bills from the discount houses.

Banks brought forward moderate run down balances, and the market was also faced with the unwinding of a small purchase and resale agreement of bank bills.

On the other hand there was a small decline in the note circulation, a small number of net maturing Treasury bills, and a moderate surplus of Government disbursements over revenue payments to the Exchequer.

Discount houses paid 11-11½ per cent for secured call loans at the start, and closing balances were taken at 9½-10½ per cent.

In the interbank market overnight loans opened at 12-12½ per cent and touched a high point of 12½ per cent, but fell to 9½ per cent in late trading, before closing at around 12 per cent.

Rates in the table below are nominal in some cases:

LONDON MONEY RATES

Feb. 7 1979	Sterling Certificate on deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills Φ	Eligible Bank Bills Φ	Fine Trade Bills Φ
Overnight	—	9½-12¼	—	—	—	12½	9½-11½	—	—	—
2 days notice	—	—	12⅜-12⅝	—	—	—	—	—	—	—
7 days or..	—	—	—	—	—	12¼	—	—	—	—
7 days notice	—	12¼-12½	12⅝-13	—	13½	—	11¼-11½	—	—	—
One month	12⅞-12 15/16	13 1/16-13⅜	13-13⅛	13¼-13⅜	13⅞	14	11⅞-12	12½	13⅜	13¼
Two months	13 1/16-13 3/16	13⅜-13 11/16	—	13⅜-13⅞	14	—	12½-12⅞	12⅝	13½-13⅝	13½
Three months	13¾-13⅝	13⅞-14 1/16	13⅞-14	13⅜-13⅞	14¼	—	12¾-13	12¾-13	13 11/16-13¾	13¾
Six months	13¾-13⅞	13⅞-14 1/16	13½-13⅞	13⅛-13¾	14¼	—	—	—	13¼	14
Nine months	13 9/16-13⅝	13 11/16-13⅞	—	13½-13⅞	14	—	—	—	—	—
One year	13 7/16-13⅛	13 7/16-13⅝	13⅛-13⅝	13⅜-13¾	13¾	—	—	—	—	—
Two years	—	—	13¼-13¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 13⅝-13⅞ per cent; four years 13¾-14 per cent; five years 13⅞-14 per cent. Φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13½ per cent; four-month trade bills 14 per cent.

Approximate selling rates for one-month Treasury bills 11⅞-12⅛ per cent; two-month 12⅛-12½ per cent; three months 12½-12 31/64ths per cent. Approximate selling rate for one-month bank bills 12 11/16-12⅞ per cent; two-month 12 15/16-13 1/16 per cent; and three-month 12⅞-12 15/16 per cent; one-month trade bills 13⅛ per cent; two-month 13⅜ per cent; and also three-month 13⅝ per cent.

Finance House Base Rates (published by the Finance Houses Association) 12½ per cent from February 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 10 per cent. Clearing Bank Rates for lending 12½ per cent. Treasury Bills: Average tender rates of discount 12.4961 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.375
Treasury Bills (13-week)	9.24
Treasury Bills (26-week)	9.38

GERMANY

Discount Rate	3
Overnight Rate	3.85
One month	3.85
Three months	4.15
Six months	4.25

FRANCE

Discount Rate	9.5
Overnight Rate	7
One month	6.75
Three months	6.8125
Six months	6.9375

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.375
Bills Discount Rate	4.625

WORLD STOCK MARKETS

Dow 8.4 weaker in active early dealings

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—91% (94¼%)
Effective $2.0140 48% (49¼%)

FRESH INVESTOR worry about the impact of the Iranian oil stoppage on the U.S. economy sent Wall Street, after Tuesday's steadier performance, into a renewed slide yesterday morning in active trading.

Closing prices and market reports were not available for this edition.

The Dow Jones Industrial Average was 8.40 weaker at 814.45 at 1 pm, while the NYSE All Common Inde fell 62 cents to $54.37 and declines commanded a substatnial lead over gains by nearly a six-to-one ratio. Turnover expanded to 22.27m shares, well above Tuesday's 1 pm figure of 16.93m.

Investor nervousness was heightened by comments by Energy Secretary Schlessinger, who told the Senate Energy Committee that the Iranian shutdown has caused world problems and more are expected next winter.

Analysts said fresh weakness in the dollar and record prices for gold were further burdening the market.

Volume leader **Boeing** retreated 3⅝ more to $70. It has been hit by profit-taking since reporting sharply higher 1978 net profits, stock split and a dividend increase.

Citicorp, in second place on the actives list, gave up ½ to $23. A Block of 150,000 shares were traded at $23.

Modern Merchandising lost ⅞ to $13⅛. A block of 159,000 shares were traded at $13.

Baxter Travenol, despite higher fourth-quarter profits, declined 1⅜ to $37⅛.

Congoleum receded 1⅛ to $20⅝, also failing to benefit from improved fourth-quarter results, while General Signal announced sharply higher final quarter net earnings but lost $1 to $25⅛.

Among Blue Chip and Glamour stocks, **General Motors** shed ⅝ to $55¼, **IBM** 3¼ to $297¼ ex-dividend, **Du Pont** 2¼ to $129, **Polaroid** 1⅛ to $48⅛ and **Teledyne Ramada Inns** lost ⅜ to $10⅛. The company said the expected $80m cost of its planned Atlantic City casino is fully financed. **Caesars World** eased ½ to $34⅜ and **Harrah's** ⅞ to $22.

THE AMERICAN SE Market Value Index receded 1.34 to 156.82 at 1 p.m. Volume 1.86m shares (1.67m).

Irvin Industries declined 1½ to $3½. *Its planned merger with* Halle and Steiglitz was called off after the company discovered inventory shortages of $1.5m

Canada

Apart from a predominantly higher Golds sector, stocks were easier-inclined in another active *early business yesterday*.

The Golds index strengthened 39.8 to 1,619.3 at noon, while *Oils and Gas managed to harden* 1.6 to 1,849.2. The Toronto Composite Index, however, shed 1.4 *to 1,350.7, while Papers lost 0.38* to 156.73 and Utilities 0.24 to 195.80.

Among Golds, **Dome Mines** advanced 2½ to C$100½, **Campbell Red Lake** ⅜ to C$42, **Camflo** ½ to *C$15⅜* and **Agnico-Eagle** ⅜ to C$7½.

Asbestos gained 1½ to C$47½. **General Dynamics** has given the Quebec Government information previously withheld in their take-over negotiations. **United Corporation** added ¼ to C$14¼ on higher nine-months *earnings*.

Tokyo

After its recent sharp reaction, the stock market managed a mixed showing yesterday in *another fair business. The* Nikkei-Dow Jones Average picked up 10.86 to 6,106.04, while volume came to 380m shares (410m).

Stocks of Industrial Machinery Manufacturers advanced on news that orders hit an all-time high last year, up 1 per cent from the previous record set in 1977.

Real Estates moved higher as some investors purchased on *fears of an upturn in inflation*, while Pharmaceuticals, Electricals and commodity market-related issues also improved.

On the other hand, energy industry-related issues, such as **Teikoku Oil** and **Nippon Oil**, declined on foreign Press reports that a Saudi Arabian oil official has denied earlier Press reports that Saudi Arabia has decided to cut oil production.

Blue Chips, which eased somewhat in the morning, were purchased towards the close.

Toshiba Machinery rose Y25 to Y358, **Hitachi Seiki** Y23 to Y282, **Heiwa Real Estate** Y38 to Y705, **Nippon Soda** Y23 to Y318 and **Sony** Y20 to Y1,600.

In contrast, **Nippon Oil** lost Y26 to Y751 and **Toa Nenryo** Y17 to Y613.

Germany

Bourse prices further receded across a *broad front, reflecting* uncertainty about Iran and the dollar's latest weakness. The *Commerzbank index* fell 7.1 to 799.4, a new 1979 low.

Dealers said Frankfurt trading *opened on a positive note*, but the trend was swept away by news of the dollar's continuing weakness and *reports of falling* prices on the bond market.

Uncertainty over the future of *Iran continued to haunt Banks*, market sources explained, while Motors were pushed down both *by profit-taking* in Volkswagen shares and reports that the outlook for West German *automobile producers* was *not* as optimistic as industry forecasters had earlier thought.

Banks were led lower by **Deutsche Bank**, which lost DM 3.70. Among Electricals, *Varta slipped DM 2.00* and **AEG** DM 1.90, but Stores had **Karstadt** and **Kaufhof** each DM 1.00 *firmer*.

The selling wave on the Domestic Bond market later *ebbed slightly*, but Public Authority issues still eased by up to 50 pfennigs. The *Bundesbank bought DM 6.9m* nominal of paper after DM 28.5m purchases on Tuesday. Mark Foreign Loans also softened.

Paris

Shares mostly remained in easier vein, although some institutional buying brought a slight recovery towards the close.

The international situation and particularly events in Iran continued to depress prices, and *firmness* in day-to-day money and the gold price attracted funds away from the stock *market*.

All sectors declined apart from *Steels* and *Hotels*, which were steady.

Kleber-Colombes despite reporting a rise in its 1978 turnover, declined 1.90 to FFr 57.60.

Dumez lost 14 to FFr 596, **Legrand** 44 to FFr 1,686 and **Poclain** 4.5 to FFr 180.

Switzerland

A modest rally occurred yesterday, with the market resisting a fresh decline in the dollar.

Georg Fischer Bearer advanced 40 to SwFr 685 in heavy trading on rumours of a take-over bid by a German car producer, but the company was not immediately available for comment.

Alusuisse Bearer moved ahead 40 to SwFr 1,340 on strong demand, while **Ciba Geigy** Participation Certificates improved 20 to SwFr 995.

Australia

After the recent upsurge in stock prices, some of the high-flying Banks, Industrials and Mining issues turned easier yesterday, the last-mentioned sector reflecting a downturn in some metal prices in London. Oils were mainly lower, but gains occurred in Real Estates, Chemicals, Insurances and Food stocks.

BHP reacted 14 cents to A$9.76, **CSR** 7 cents to A$3.63, **Nicholas International** 4 cents to A$1.00 and **Carlton United Brewery** 6 cents to A$1.88, but **ICI Australia** added 4 cents more at A$2.58.

Among weak Retailers, **David Jones** declined 7 cents to A$1.22, while **Myers** were similarly lower at A$1.87.

Copper issues were inclined to relinquish some ground.

Hong Kong

The market gave further ground on fresh profit-taking in slack trading, the Hang Seng index receding 8.69 to 553.53.

Initial selling by Overseas institutional investors set the trend for the day with the *market suffering* across the board losses.

Johannesburg

Gold shares could only muster modest gains in active trading *following record high Bullion* indications.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax. ♥ Pta 500 denom. unless otherwise stated. ♣ DKr 100 denom. unless otherwise stated. ♦ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. △ Interim since increased.

NEW YORK

Stock	Feb. 6	Feb. 5
Abbott Labs	32	31¾
AM International	20½	20⅝
Aetna Life & Ca.	39¾	40⅛
Airproducts	25⅞	26⅛
Alcan Aluminium	34	34⅛
Alcoa	50⅜	50⅞
Alleg. Ludium	16¾	16¾
Allegheny Power	16⅝	16⅝
Corning Glass	53¼	53⅛
CPC Int'rn'tiona	50	50
Crane	30	29⅞
Crocker Natl.	28	27⅞
Crown Zellerb'h.	33⅜	33½
Cummins Engine	36¾	36¾
Curtiss Wright	14⅛	15⅞
Dana	28⅝	28⅛
Dart Industries	41	41
Johns Manville	23⅛	23⅛
Johnson Johnson	73⅝	73⅞
Johnson Control	28⅛	28¼
Joy Manufacturg	30	30
K. Mar Corp	[illegible]	23⅞
Kaiser Alumini'm	17⅞	18
Kaiser Industries	2⅛	2⅛
Kaiser Steel	22¾	22¾
Kanab Services	13⅜	13¾
Kay	14⅛	14⅛
Revlon	50⅛	49⅞
Reynolds Metals	35	34⅞
Reynolds R.J.	57½	57¼
Rich'son Merrell	22¾	22¼
Rockwell Inter.	37¾	[illegible]
Rohm & Haas	35⅞	35⅞
Royal Dutch	62¾	63
RTB	11¼	11⅜
Ross Togs	10½	10
Ryder System	23¼	23¼
Woolworth	19⅞	19⅞
Wyly	4¾	4⅞
Xerox	57⅛	56⅝
Zapata	12⅜	12¼
Zenith Radio	13½	13½
U.S. Treas.4% '80	†94⅝	†94⅝
USTreas4¼%75/85	†78¾	†78¾
U.S. 90-day bills	9.15%	9.15%
Wells-Fargo	27¾	28
Weston Bancort	26	26½
Western N.Amer.	23⅛	23⅞
Western Union	15⅝	15⅝
Westing'hse Elec.	17⅞	17¾
Weyerhaeuser	28¼	28¼
Whirlpool	17⅞	17⅞
White Con. Ind	21	21
William Co.	17⅛	17¼
Wisconsin Elect.	26	26

CANADA

Stock	Feb. 6	Feb. 5
Trans Mount Opt	9⅛	9⅛
Trizec	†16⅝	†16⅝
Union Gas	10	10
UntdSiscoe Mnes	8¾	8⅝
Walker Hiram	42¼	42¼
West Coast Trans	11½	11½
Weston (Geo.)	22⅝	23½

† Bid. ‡ Asked. § Traded. ¶ New stock.

Indices

NEW YORK—DOW JONES

	Feb. 6	Feb. 5	Feb. 2	Feb. 1	Jan. 31	Jan. 30	1978-79 High	1978-79 Low	Since Compil'tn High	Since Compil'tn Low
◆ Industr'ls	822.85	823.56	834.83	840.87	833.22	851.78	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.51	85.37	85.50	85.51	85.41	85.15	90.66 (4/1/78)	84.65 (15/1/79)	—	—
Transport.	205.29	209.55	213.45	214.51	214.55	216.65	261.49 (8/9)	199.31 (9/1/78)	279.88 (7/2/69)	12.32 (8/7/32)
Utilities	105.32	105.36	104.26	104.53	104.91	104.67	110.98 (5/1)	97.75 (20/11)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	23,570	28,490	25,558	27,859	30,850	26,310	—	—	—	—

◆ Day's high 828.48 low 819.21

	Feb. 2	Jan. 26	Jan. 19	Year ago (approx)
Ind. div. yield %	5.65	5.66	5.81	5.98

STANDARD AND POORS

	Feb. 6	Feb. 5	Feb. 2	Feb. 1	Jan. 31	Jan. 30	1978-79 High	1978-79 Low	Since C'mpil't'n High	Since C'mpil't'n Low
‡Indust'ls	109.25	109.25	110.85	111.40	111.32	112.70	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	98.06	98.06	99.50	99.99	99.95	101.05	106.99 (12/9)	86.90 (6/3)	125.85 (11/1/63)	4.40 (1/6/32)

	Jan. 31	Jan. 24	Jan. 17	Year ago (approx.)
Ind. div. yield %	4.99	4.96	4.97	5.22
Ind. P/E Ratio	9.05	9.06	9.01	8.69
Long Gov. Bond Yield	8.84	8.91	8.97	8.18

N.Y.S.E. ALL COMMON

Feb. 6	Feb. 5	Feb. 2	Feb. 1	1978-79 High	1978-79 Low
54.99	55.01	55.79	55.00	60.38 (11/9)	48.37 (6/3)

Rises and Falls

	Feb. 6	Feb. 5	Feb. 2
Issues Traded	1,877	1,968	1,830
Rises	695	291	659
Falls	722	1,285	725
Unchanged	460	394	445
New Highs	17	13	17
New Lows	17	32	6

MONTREAL	Feb. 6	Feb. 5	Feb. 2	Feb. 1	1978-79 High	1978-79 Low
Industrial	226.15	225.83	228.86	227.62	232.44 (29/1/79)	152.90 (16/2)
Combined	230.53	260.35	231.12	231.75	257.05 (29/1/79)	170.62 (30/1)
TORONTO Composite	1352.1	1347.5	1349.5	1350.7	1382.4 (29/1/79)	998.2 (30/1)
JOHANNESBURG Gold	280.1	280.8	268.1	266.9	286.1 (6/2/79)	186.6 (20/4)
JOHANNESBURG Industrial	304.7	303.2	302.0	300.5	304.7 (6/2/79)	194.9 (13/3)

	Feb. 7	Previous	1978-9 High	1978-9 Low
Australia (*)	584.89	585.83	585.63 (6/2/79)	411.19 (1/3)
Belgium (‖)	105.38	106.10	105.35 (7/2/78)	90.46 (23/6)
Denmark (**)	93.03	92.81	98.35 (14/3)	88.03 (30/10)
France (††)	73.7	74.2	86.0 (4/10)	47.6 (3/2)
Germany (‡‡)	799.4	806.5	862.2 (19/10)	768.4 (17/3)
Holland (§§)	81.7	82.3	85.1 (11/8)	76.0 (4/4)
Hong Kong (¶¶)	553.53	562.22	707.70 (4/9)	383.4 (13/4)
Italy (‖‖)	72.58	71.75	82.36 (25/9)	59.45 (10/1)
Japan (a)	454.40	453.89	462.97 (31/1/79)	364.04 (4/1)
Singapore (b)	384.08	388.08	414.50 (8/9)	282.0 (9/1)
Spain (d)	97.63	96.16	92.79 (8/1/79)	83.02 (12/1/78)
Sweden (c)	399.97	401.34	402.00 (4/2)	325.74 (5/1)
Switzerld (f)	312.5	310.7	324.7 (14/2)	261.6 (25/9)

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Boeing	361,300	73⅝	−1
Gardner-Denver	258,400	30⅛	+⅛
Bally Mfg.	238,600	59⅛	+⅛
IU Internatnl	234,200	11	+⅛
Kennecott Cpr.	230,000	24	+⅛
UV Industs.	219,300	30⅞	+1⅛
Eastman Kodak	199,600	59⅞	+⅛
Amer. T. and T.	188,100	63¾	+⅛
SCA Services	178,100	8	−⅛
McDonald's	166,700	42⅞	−⅛

GERMANY ◆

Feb. 7	Price DM.	+ or −	Div. %	Yld. %
AEG	66.1	−1.9	—	—
Allianz Versich.	495	−3	31.2	3.1
BMW	237	−1	28.12	6.0
BASF	134	+0.1	18.75	7.0

TOKYO ¶

Feb. 7	Prices Yen	+ or −	Div. %	Yld. %
Asahi Glass	355		14	2.0
Canon	490	+1	12	1.2
Casio	840	+5	25	1.5
Chinon	572	+2	20	2.7
Dai NipponPrint	655	−7	18	1.6

AUSTRALIA

Feb. 7	Aust. $	+ or −
ACMIL (25 cents)	†0.74	
Acrow Australia	†1.00	
AMATIL $1	†2.28	−0.01
Ampol Exploration	†1.40	+0.02
Ampol Petroleum	†0.76	

STOCKHOLM

Feb. 7	Price Kroner	+ or −	Div. Kr.	Yld. %
AGAAB (Kr. 40)	213	−4	5	2.3
Alfa Laval (Kr.50)	144		6	[illegible]
ASEA (Kr.50)	85	+1	5	5.9
AtlasCo'co Kr25	112		6	[illegible]
Billerud	61.5	−1.5	—	—
Bofors	13?		4	2.9

AMSTERDAM

BRUSSELS/LUXEMBOURG

PARIS

SWITZERLAND ◆

COPENHAGEN ♣

MILAN

VIENNA

OSLO

JOHANNESBURG

SPAIN ♥

BRAZIL

Turnover: Cr 131.7m. Volume 53.1m.
Source: Rio de Janeiro SE.

Securities Rand U.S.$0.68 (Discount of 40.8%)

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS 1707

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hill Samuel	§12½%
Allied Irish Banks Ltd.	12½%	C. Hoare & Co.	†12½%
Amro Bank	12½%	Julian S. Hodge	13½%
American Express Bk.	12½%	Hongkong & Shanghai	12½%
A P Bank Ltd.	12½%	Industrial Bk. of Scot.	12½%
Henry Ansbacher	12½%	Keyser Ullmann	12½%
Associates Cap. Corp.	12½%	Knowsley & Co. Ltd.	14½%
Banco de Bilbao	12½%	Lloyds Bank	12½%
Bank of Credit & Cmce.	12½%	London Mercantile	12½%
Bank of Cyprus	12½%	*Edward Manson & Co.*	13½%
Bank of N.S.W.	12½%	Midland Bank	12½%
Banque Belge Ltd.	12½%	■ Samuel Montagu	12½%
Banque du Rhone et de la Tamise S.A.	13 %	■ *Morgan Grenfell*	12½%
Barclays Bank	12½%	National Westminster	12½%
Bremar Holdings Ltd.	13½%	Norwich General Trust	12½%
Brit. Bank of Mid. East	12½%	P. S. Refson & Co.	12½%
■ Brown Shipley	12½%	Rossminster	12½%
Canada Perm't Trust	12½%	Royal Bk. Canada Tst.	12½%
Cayzer Ltd.	12½%	Schlesinger Limited	12½%
Cedar Holdings	12½%	E. S. Schwab	13½%
■ Charterhouse Japhet	12½%	*Security Trust Co. Ltd.*	13½%
Choulartons	12½%	Shenley Trust	14 %
C. E. Coates	12½%	Standard Chartered	12½%
Consolidated Credits	13½%	Trade Dev. Bank	12½%
Co-operative Bank	*12½%	Trustee Savings Bank	12½%
Corinthian Securities	12½%	Twentieth Century Bk.	13½%
Credit Lyonnais	12½%	United Bank of Kuwait	12½%
Duncan Lawrie	12½%	Whiteaway Laidlaw	13 %
The Cyprus Popular Bk.	12½%	Williams & Glyn's	12½%
Eagil Trust	12½%	Yorkshire Bank	12½%
English Transcont.	12½%		
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	12½%		
Greyhound Guaranty	12½%		
Grindlays Bank	‡12½%		
■ Guinness Mahon	12½%		
■ Hambros Bank	12½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%. 1-month deposits 10¼%.
† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10¼% and over £25,000 10½%.
‡ Call deposits over £1,000 10%.
§ *Demand deposits 10%.*

COMMODITIES AND AGRICULTURE

Cocoa prices move lower despite late rally

BY RICHARD MOONEY

COCOA PRICES on the London futures market fell sharply yesterday morning with nearby positions declining the £40 permissible daily limit.

But prices rallied in the afternoon as traders covered against earlier "short" sales. The May position, which slipped to £1,725 a tonne at one stage, ended the day £27 lower on balance at £1,739.5 a tonne.

The market trend has been uncertain throughout this week. An early rally, in reaction against the recent sustained decline, quickly ran out of steam but the subsequent fall has proved equally short-lived.

The rally had been encouraged by news of flooding in Brazil's Bahia cocoa region but it now appears that the cocoa crop was not affected.

Meanwhile manufacturers buying has been sporadic and reports that large quantities of West African cocoa are available to the market have been balanced by concern over shipment delays from Ghana. One clear factor, however, has been the depressing influence of large shipments from the Ivory Coast and the Cameroons.

The market appears to be finding difficulty in sustaining rallies at the moment but seems equally reluctant to see a further decline below recent ten-month lows. One London trade house, Paterson Simons and Ewart, has come out clearly on the side of the "bears" however. In a report published on Monday the firm predicted that the underlying downtrend would continue throughout the current season.

Brij Khindaria writes from Geneva: Negotiations for a new international cocoa agreement entered their substantive phase here yesterday after almost ten days of general statements by delegates.

The negotiations are being conducted in two working groups, one dealing with administrative provisions and the other with economic aspects. Conference sources said there are no major disagreements concerning the administrative provisions but bargaining has yet to begin on the key economic provisions, including prices, and the buffer stock mechanism and how it will be financed.

Nine of the less controversial articles of the draft text have been agreed at working group level, but most of the draft has yet to be discussed in depth.

A conference official said he expected that final agreement would be reached by February 23 when the conference closes, but some delegates were less optimistic.

Some of the developed consumer countries are reluctant to discuss financing methods for the planned buffer stock system until completion of separate negotiations within the United Nations' Conference on Trade and Development (UNCTAD) to establish a fund to finance an integrated system of international commodity agreements, including cocoa.

This reluctance may become an important enough obstacle to prevent a final conclusion at the current conference. But one way out would be to allow the London-based International Cocoa Organisation to adjust any accord reached here to take account of developments at a separate UNCTAD conference on the common buffer stock fund due here later this month.

U.S. copper price up to record 90 cents.

BY JOHN EDWARDS, COMMODITIES EDITOR

A RISE in its U.S. domestic copper price from 84.50 to 90 cents a lb was announced last night by Asarco.

This is believed to be the highest U.S. producer price ever, exceeding the previous peaks reached in 1974. Asarco's move, which came after the London copper market had closed, followed a series of rises to 87 cents by several other leading U.S. and Canadian producers.

London copper prices moved very erratically yesterday, as bursts of European trade selling were countered by continued speculative buying. By the close cash wirebars were only £4 up at £963.5 a tonne, but values moved further ahead in late kerb trading, encouraged by a firm tone on the New York market.

Aiding the bullish sentiment yesterday was the upsurge in the precious metal markets, led by gold. Free market platinum in London rose by £1.80 to a new all-time peak of £207.75 an ounce, while the dollar price rose by $7 to $418.

This confirmed London market views that the main reason for yesterday's rise in platinum was the weakness of the dollar.

The fundamental supply-demand position is unchanged, although another rise in the South African producer price from its present level of $325 is predicted.

Silver prices also jumped to record levels yesterday. The London bullion spot quotation was raised by 10p to 363.9p an ounce. Tin lost ground following freer offerings of cash metal.

The high-grade cash price dropped by £155 to £7,250 a tonne, coming back into line with standard grade that lost £75 to £7,245.

Cash lead was also subdued by freer offerings, but the three-months quotation gained £7.5 as more U.S. producers lifted their domestic prices to 44 cents.

Zinc moved higher, and Asarco announced it was lifting its domestic price by 1 cent to 36.50 cents for prime western zinc.

MINOR METALS

Shot in the arm for vanadium

BY PAUL CHEESERIGHT

AN EXTRA order from Japan, and the taking up of a Brazilian option, have given a welcome boost to vanadium, a metal used in steel alloys, particularly for oil pipelines.

Highveld Steel and Vanadium Corporation, the world's largest producer, in its interim statement this week noted that demand for vanadium was steady but the industry still suffered from over-capacity. Indeed, the underlying market trend relative to output has been sluggish since the beginning of 1977.

In that year world production capacity was about 112m lbs of vanadium pentoxide, but consumption lagged at 72m lbs.

Demand held up well during 1976, when pipeline developments were extensive in areas like the North Sea, Alaska and Canada. But once these were finished over-capacity in the industry became apparent.

American and Finnish vanadium producers had been expanding their production facilities, as had Highveld in South Africa. Lately the imbalance between supply and demand has become less acute because plant has been taken out of service.

Highveld at its specialist Vantra vanadium division has *one large kiln, three small* kilns and eight roasting units. For a time it has just been operating with the large kiln. The three small kilns are still *out of action*

Prospects for a return to full production depends on the international economic situation, but the difficulties of the vanadium producers have been eased to some extent by the high price and shortage of molybdenum. Some molybdenum users have been turning to vanadium as a substitute.

Over the last year there has been some recovery in pipeline activity in Mexico, the Middle East and the Soviet Union, which has helped to keep vanadium demand moderately steady. In the immediate future, oil and gas developments in the U.S. and Canada could raise demand further.

At full production capacity Highveld can produce some 48 per cent of the western world's vanadium requirements, but the depression has caused a fall to about 40 per cent, with Union Carbide, the U.S. conglomerate, being the main rival.

But Highveld occupies a significant strategic position. Nearly two-thirds of the world's known vanadium reserves are in South Africa, and through Highveld, South Africa supplies 42 per cent of the EEC's vanadium needs.

Theoretically, Highveld as the market leader could slash prices to encourage demand. But group executives acknow*ledge that Union Carbide has* too much financial muscle to make it worthwhile engaging in a price war.

They also claim that the emergence of Highveld as the major producer has had the effect of stabilising prices, which, before it started operations, were subject to sharp fluctuations. The Highveld plant came on stream in 1968.

"Steelmakers have been able to rely on assured supplies and to develop with confidence vanadium-bearing steels which remain competitive in all market conditions," said Mr. Graham Boustred, the chairman, in his latest annual statement.

Highveld has sought to build stronger links with the steel companies both through its own market development division and through the London-based Vanadium International Technical Committee which promotes research into new uses.

Anticipated international production capacity by 1982 is expected to be more than 120m lbs. But if consumption grows at an annual rate of 8 per cent from end-1977 levels, sales will reach 105m lbs by 1982. If the growth is only 4 per cent, demand will be only about 88m lbs.

Milk tax opposition growing

BY MARGARET VAN HATTEM IN BRUSSELS

DESPITE THE relatively pleasant atmosphere at this week's Farm Ministers meeting, which ended on Tuesday night, it is already clear that a first-class row is brewing over the *EEC Commission's proposals* for a progressive tax on milk production.

Initial reactions to the 1979/80 farm price proposals were subdued. Indeed, all Ministers appeared to support the broad outlines of the package of measures. But this vague support will count for little when the discussion turns to detail.

Unlike the 1977 milk co-responsibility levy, which everyone admits was a flop, this year's model has two features which, if approved by the Council, virtually guarantee large cuts in milk incomes.

On top of the basic levy—2 per cent of the target price to be paid on all deliveries to dairies—there will be a coefficient of two, adding two percentage points to the tax for each one per cent increase in output compared with the two-year base period 1977/78 and 1978/79.

Secondly, *there is no ceiling* on the tax. This means in theory that a 49 per cent increase in output would swallow up all income from milk production.

The explosion in milk production is not quite at that level yet—last year for the Nine, deliveries to dairies rose by about 5 per cent. But some countries could be hard-hit—Ireland, for example, where deliveries rose by more than 15 per cent, or the Netherlands (almost 8 per cent).

The initial grumblings over the proposed tax did not touch on the hefty income cuts it will bring, indicating that the Dutch and Irish Governments either consider their producers can afford it, or have not yet gone into the arithmetic. West Germany stayed quiet at this stage, but is expected to be strongly opposed.

Criticisms made at this week's Council concentrated *on the proposed exemptions for* smaller producers. The cut-off point suggested by the Commission (annual production not exceeding 60,000 litres) would cover 30 per cent of producers but only 12 per cent of production. This compares with an original suggestion of 50,000 litres covering 23 per cent of producers and 8 per cent of output.

The figure is clearly negotiable and, as it stands, exempts many producers in Bavaria, power-base of Herr Josef Ertl, the German Farm Minister. But it would hit the larger producers in Schleswig-Holstein, where an election is to be held shortly.

Britain, Belgium and Holland, who have few small producers, complain that the exemptions discriminate in favour of inefficiency. They want the tax applied uniformly. Any direct or indirect payments to keep small farmers on the land *should be recognised as social,* not agricultural grants. There appears to be some support for this argument within the Commission.

Butw rangling on this issue is likely to be minor, compared with opposition to the basic structure of the tax.

Little apparent progress was made at the two-day meeting on the question of monetary compensatory amounts. But there is mounting speculation that France, which blocked the introduction of EMS in the hope of getting rid of them, is close to accepting defeat and may be looking for a face-saver.

This should become clearer at the next Farm Council meeting, scheduled for next Monday.

EEC white sugar exports higher

By Richard Mooney

THE EEC Commission authorised the export of 57,500 tonnes of white sugar at its weekly tender yesterday. This is the highest level for several months.

But no raw sugar exports were authorised. Last week rebates were granted on 15,000 tonnes of raws—the first time in nine weeks that raws exports had been authorised.

Last week export rebates were granted on 49,250 tonnes *of white sugar.*

The maximum export rebate for whites was cut to 25.715 units of account from 26.25 UA last week. The raws rebate was set at 22.48 UA against 22.889.

The London daily raw sugar price was fixed £1 lower at £97 a tonne yesterday morning, but this was still £2 higher than a week earlier. Dealers said the easier trend reflected the continued weakness of sterling.

World agriculture council planned

BY BRIJ KHINDARIA IN GENEVA

A NOVEL plan to create an international agriculture council which would periodically bring together ministers and senior officials to discuss global and regional food market problems could have a major effect on world trade.

The accord, which is nearly complete, is to be part of the agricultural package being negotiated in the Tokyo round of trade talks here.

The proposed council grew out of a deal between the U.S. and the Common Market. But several other Tokyo round participants, *including developing countries,* have shown interest and are likely to join it.

The council will be the follow-up forum to the Tokyo round, designed to deal exclusively with such farm trade problems as the stabilisation of food prices, the need to protect farmers' incomes, expansion of agricultural trade and making sure that the world has enough food stores to meet crisis situations.

Negotiations on all these matters will be conducted separately, but the council will allow ministers to monitor progress in the various fields and develop overall policies *designed to take pressure off the* most harassed agricultural markets.

Supply and demand imbalances, particularly between the developed and developing world, which have created situations where some countries starve while others destroy their food surpluses to prevent prices from plummeting, are at the root of the council's creation.

The concept of such a council in so sensitive a field of economic activity is so new that Tokyo Round participants seem to be at a loss to describe how it might work. It is being talked of as an agricultural framework to promote international co-operation; a major step forward *from the present time when* there is no high-level umbrella body to take a global view of food trade imbalances.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Sensitive on the London Metal Exchange with the forward price continuing to move erratically. Trading was mainly speculative although there was some influential European trade selling at the higher levels. After opening at £973, there was a movement to ... rally to £982. Thereafter the price fell quickly to £968, advanced to £985 and closed on the Kerb at £980 after a day of vigorous trading. Turnover: 27,450 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	959-70	+2½	963-4	+4
3 months	980-.5	+26.5	973.5-4.5	+4.25
Settl'm't	970	+28.5	—	......
Cathodes				
Cash	958.5-9	+2½	950-1.50	+4.25
3 months	968-.5	+2½	960-1	+4
Settl'm't	959	+25	—	
U.S. Smt.	—	......	*80-7	......

Amalgamated Metal Trading reported that in the morning three months wirebars traded at £990, -89, 88.5, 88, 87, 84, 85, 84.5, 84, 83, 84, 85, 84, 82, 81, 82, 83, 82, 82.5, 83, 81. Cathodes, cash £957, 57.5, 58, 58.5, three months £966, 65, 67, 68. Kerbs: Wirebars, three months £981, 80, 79, 78, 77, 78, 76, 77, 78. Afternoon: Wirebars, three months £986, 85, 83, 82, 83, 82.5, 82, 82.5, 76, 75, 74, 75, 76, 77, 75, 74. Cathodes, three months £961, 60. Kerbs: Wirebars, three months £971, 72, 71, 70, 69, 68, 69, 70, 72, 74, 75, 76, 78, 79, 80, 82, 84, 85, 84, 83, 82, 80, 81, 79, 78.

TIN—... The price steadied but then hedge selling caused a reversal to £7,240. In the afternoon, influenced by copper movements, U.S. profit-taking and heavy stop-loss selling, it slid to a close on the Kerb of £7,170. Turnover: 985 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7330-50	+30	7240-50	—155
3 months	7250-70	+140	7200-10	—40
Settlem't	7350	+30	—	......
Standard				
Cash	7330-40	+195	7240-50	—75
3 months	7255-45	+147	7170-5	—52.5
Settlem't	7340	+190	—	......
Straits, E.	‡$1895	+5		
New York	—	......		......

Morning: Standard, cash £7,380, three month £7,280, 70, 75, 70, 40. High Grade, cash £7,390. Kerbs: three months £7,210, 7,200. Afternoon: Standard, cash £7,240, three months £7,210, 20, 7,200, 7,190, 80, 80, 70, 80, 75, 70. Kerbs: Standard, three months £7,175, 70, 80, 70.

LEAD—Fell away after forward metal had started strong but erratically, trading from £502 to £512. The price could not hold this level and tended to move in the £496-£504 range for the rest of the day, with trade buying evidence on the dips ...

COMPANY NOTICE

CLUBS

ART GALLERIES

COCOA

During a featureless day cocoa futures traded within a narrow range easing £25 from last night's levels, reported Gill and Duffus.

RUBBER

ABOUT UNCHANGED opening on the London physical market. Steadied on terminal interest, closing uncertain. Lewis and Peat reported the Malaysian godown price was 245 (same) cents a kilo (nominal buyer, February).

PRICE CHANGES

Price in tonnes unless otherwise stated.

AMERICAN MARKETS

NEW YORK, Feb. 7.

*Gold—Feb. 254.20 (243.70), March 255.00 (245.00), April 257.00, June 261.50, August 266.00, Oct. 270.50, Dec. 276.00, Feb. 279.80, April 284.20, June 288.90, August 293.60, Oct. 298.40, Dec. 303.20.

Potatoes (round whites)—March 57.3 (58.5), April 60.2 (62.0), May 68.0, Nov. 56.4, March 6.40, April nil, May ...

Pork Bellies—Feb. 65.45-65.30 (67.20), Mar. 65.35-65.55 (66.35), May 66.00-65.85, July 66.15 bid, Aug. 64.40. Sales: 5,821.

Shell Eggs—Feb. 56.50 (56.95), Mar. 55.00 (55.00), April 51.20, May 49.15, Sept 57.10. Sales: 67.

CHICAGO, Feb 6

Lard—Chicago loose 24.00 (24.25). New York prime steam 25.50 nom. (25.75 traded).

Live Cattle—Feb. 63.20-63.20 asked (64.70), April 63.67-63.67 asked (65.17), June 64.65-64.65 asked, Aug. 64.00-64.10, Oct. 63.10-63.02, Dec 64.20-64.25, Jan 64.50 asked, Feb. 65.75, April 66.40, June 67.50. Sales: 26,172.

§Barley—March 78.40 (77.70), May 79.60-79.70 (78.70), July 81.60 asked, Oct 84.80 asked, Dec 84.70 bid.

§Flaxseed—May 342.20 bid (338.00 bid), July 336.90 bid (332.70), Oct 332.50 asked, Nov 330.00 asked, Dec. 327.50 asked.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 189.05 (188.55).

EUROPEAN MARKETS

ROTTERDAM—Feb 7

Soyabeans—U.S. Yellow Gulfports—Feb $286.50, March $290.75, April-May $296, June-July $299.50, Aug $300, Sept. $299.50, Oct. $275, Nov $273.75, Dec. $276.25, Jan. $280, Feb $283.25, March $284.75 sellers.

PARIS, Feb 7.

COCOA—(FFr per 100 kilos) March 1,395-1,400, May 1,425-1,429, July unquoted, Sept 1,455-1,500, Dec 1,485-1,499, March 1,485-1,525. Sales at call 5. Accumulative total, 63.

SUGAR—(FFr per 100 kilos). March 835-838, May 860-861, July 876-881, August 908-912, Oct. 932-940, March 995-1,005. Sales at call: 4.

INDICES

FINANCIAL TIMES

Feb. 6	Feb. 5	M'nth ago	Year ago
265.54	267.01	260.18	227.77

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	Feb. 6	Feb. 5	Month ago	Year ago
Spot ...	373.65	375.23	382.15	348.56
F'tur's	371.08	372.55	381.17	332.65

(Average 1924-25-26=100)

MOODY'S

Feb. 6	Feb. 5	M'nth ago	Year ago
1019.5	1027.4	988.9	896.6

(December 31, 1931=100)

REUTERS

Feb. 7	Feb. 6	M'nth ago	Year ago
1529.3	1525.1	1495.7	1402.3

(Base: September 18, 1931=100)

Equities resist early fall caused by Longbridge and ICI
Gilt weakness continues for eighth successive day

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 15	Jan. 25	Jan. 26	Feb. 6
Jan. 29	Feb. 8	Feb. 9	Feb. 20
Feb. 12	Feb. 22	Feb. 23	Mar. 6
Feb. 26	Mar. 8	Mar. 9	Mar. 20

* "New time" dealings may take place from 9.30 am two business days earlier.

The decision by BL workers at Longbridge to strike immediately coupled with the first appraisal by a major UK industrial group of the effects of the recent lorry drivers' stoppage—ICI spoke of the damage to the company's credibility, the probable irretrievable loss of some export orders and of the implications for the group's investment programme—inevitably took the downturn in stock markets a stage further yesterday.

However, resistance to further fairly widespread selling of leading and secondary equities began to develop in mid-morning, usually following the closing of professional bear positions before the current trading Account ends tomorrow. This development eventually encouraged one or two investment orders with the result that the tendency gradually improved in the afternoon.

The market's struggle to regain a firmer footing was well illustrated by the hourly fluctuations in the FT Industrial Ordinary share index. Down 2.2 at the day's worst at 11 a.m., the index was 1.2 off at the next calculation and only 0.4 down at 3 p.m. before the close took it into higher ground for the first time in four days with a net gain of 0.4 to 455.2.

Of the individual sectors, Oils were again dominant with British Petroleum and Shell topping our list of active stocks but the trend overall was mixed: Shell made no response to the late announcement of an increase of 3p a gallon in petrol prices. Official markings yesterday of 5,055 compared with Tuesday's 5,568—the highest for nearly five months.

Gilt-edged securities took stock of the January banking statistics and Press conclusions on money supply trends, both of which were unfavourable to market sentiment. Opening losses extended to ¼ and these were furthered within the first hour of trade to ½ but the market thereafter soft-peddled pending today's decision on Minimum Lending Rate. Late in the afternoon, however, fresh offerings made for increased nervousness, particularly among the shorts, where final losses ranged to ½.

Corporations were also in reactionary mood, sustaining falls of ½ and sometimes more, while Southern Rhodesian bonds were marked a couple of points lower reflecting business late the previous evening; the 2½ per cent 1965/70 lost that much to £49.

Once again, sterling's performance was the major influence behind the investment currency premium's movements yesterday. After opening easier at around 93½ per cent, the premium proceeded to retreat during the course of a fairly active two-way trade to end the day a further 3½ down at 91 per cent. Yesterday's SE conversion factor was 0.6786 (0.6704).

The market in Traded Options was again active with 961 contracts completed compared with the previous day's 935. Nearly a third of the deals were transacted in Cons. Goldfields, while GEC and ICI were also in demand, recording 150 and 139 deals respectively.

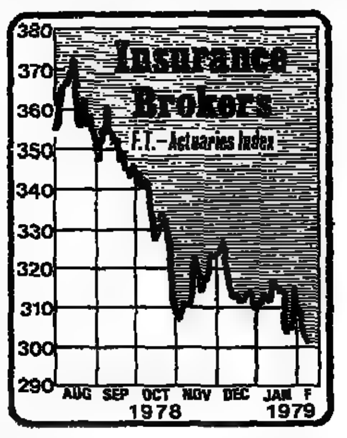
Barclays easier

hike in the major clearing banks' base lending rates continued to deter buying interest in the big four. However, recent small selling dried up and prices generally held at the overnight levels. Suggestions that Barclays might take the lead and shortly announce an increase prompted a modest fall of 2 to 368p. Elsewhere, merchant banks remained friendless with Guinness Peat down 4 more to 101p, making a loss of 18 since last week's publication of the disappointing interim statement. Keyser Ullmann dipped 2 to 42p as did Kleinwort Benson to 96p and Corinthian Holdings to 31p. Among Hire Purchases, interim figures from UDT were much in line with expectations and the close was unchanged at 43p.

Losses were again in the majority in a quiet Insurance sector but Christopher Moran, at 37p, retrieved a penny of the recent sharp fall which followed a report of an investigation into alleged currency irregularities by a subsidiary.

Leading Buildings closed at, or near, overnight levels after a subdued day's trading. Elsewhere, Magnet and Southerns eased 5 to 135p and recently firm Veetis Stone shed 6 to 50p. Further consideration of the interim results left Crouch Group 3 cheaper at 63p, while small selling prompted a fall of 4 to 61p in A. Monk.

Initially a couple of pence easier on the company's gloomy statement about the effects of the recent road haulage dispute, ICI rallied to close a penny up



on balance at 351p. Elsewhere, lower annual profits left Scottish Agricultural Industries 3 cheaper at 180p.

MFI Furniture good

Stores were featured by renewed strength in MFI Furniture which closed 8 to the good at 206p on revived investment buying ahead of next Tuesday's interim results. Dixons Photographic, on the other hand, relinquished 4 to a 1978-79 low of 113p and Lee Cooper declined a similar amount to 190p. The leaders plotted an irregular course in thin trading.

Although selling was again evident in the Electrical sector, the undertone was steadier after the recent widespread setback. United Scientific came on offer at 266p, down 9, while Automated Security were also vulnerable to selling and dipped 10 to 110p. Leading issues picked up after a dull start, GEC closing unaltered at 317p, after 314p, and EMI ending a penny firmer at 130p, after 127p.

The Engineering leaders fluctuated narrowly and closed without much change on balance. Secondary issues again encountered scattered selling, but F. Pratt responded to the increased dividend and profits with a rise of 5½ to 71½p, while satisfactory results left Mining Supplies 4 to the good at 130p. A particularly good market recently on news that Vosper had increased its holding in the company, Yarrow reacted 7 to 333p. A fresh early flurry of selling on fading bid hopes took Averys down to 204p before buyers appeared and prompted a rally to 210p, down only a penny on balance. Profit-taking left Alcan Aluminium 6 cheaper at 148p.

After a hesitant start, Foods encountered a small interest and ended with modest improvements. Cadbury Schweppes hardened ½ to 52p and recently dull Tate and Lyle improved 2 to 143p. J. Sainsbury, on the other hand, eased 3 to 230p and Hillards, following the virtual standstill in the interim profits, shed 6 to 222p, after 220p.

Bath and Portland down

Quietly dull conditions prevailed among the miscellaneous Industrial leaders. Reckitt and Colman dipped 7 to 450p, while Glaxo, 465p, and Pilkington, 275p, reacted 5 apiece. Elsewhere, Bath and Portland fell 3 to 47p, after 46p, on the disclosure that the company is delaying publication of its preliminary results for about a fortnight because of accounting problems relating to Iran. A firm market of late on bid hopes, MY Dart improved a fraction more to 57½p and the Deferred added 4 to 37p following comment highlighting such possibilities. Renewed investment demand lifted Sothebys 5 to 377p but profit-taking after the recent speculative spurt brought about a similar fall to 120p in Aeronautical and General Instruments. Bogod-Pelepah gave up 4 to 40p.

The threat of a prolonged stoppage at BL Cars left Motor sectors showing modest falls. Among major Component suppliers, Lucas, 267, and Associated Engineering, 88p, both eased around 3. Distributors ended similarly lower although business was light. Appleyard slipped 4 to 78, while Henlys shed 2½ to 119p. Still affected by worries over the company's Iranian contracts, Rolls-Royce gave up 2 to 92p. York Trailer lost 3 to 45p following the chairman's depressing remarks about the outlook because of the recent road haulage dispute. ERF eased 4 to 96p. Standing at 258p immediately in front of the statement, Dowty rallied to close a net 2 up at 264p on interim profits some £3m up on last year's comparable period.

Directory manufacturers Benn Brothers ended 4 lower at 55p on the downturn in interim profits.

Properties adopted a quietly firm stance after a cautious opening. British Land settled ½ up at 47p, after 48p, on the expected interim profits recovery, while Land Securities recovered to unchanged at 254p, after 251p. On the other hand, Bernard Sunley, ahead of Monday's interim results, eased 3 to 260p and recently firm Bradford relinquished 8 to 305p. Intereuropean rose 5 to 57p on revived bid rumours.

Oil shares took on a rather mixed appearance after the previous day's good gains against the trend. News of the Saudi Arabian denial of plans to cut back crude oil output had little impact on sentiment, but British Petroleum, which touched a new peak of 956p, eventually succumbed to profit-taking and reacted to close 4 cheaper on the day at 946p. The announcement of a 3p a gallon increase in the price of its petrol proved of little immediate benefit to Shell which closed without alteration at 602p. Currency and dollar premium influences left Royal Dutch ½ lower at £46, but Siebens (UK) were good at 238p, up 10, in secondary issues on news of the pipeline talks to bring ashore the crude oil from the Brae Field.

Overseas Traders William Jacks jumped 13 to 41p following an approach to its Malaysian parent company by an as yet unamed party.

Trusts recorded fresh widespread modest losses.

Awaiting the preliminary results, due today, Imps rose 2 to 88p.

Guthrie closed 5 better at 438p, after 440p, on details of company's defence to the Sime Darby offer: Guthrie estimate the value of the shares at 628p each, compared with Sime's offer of 425p, and intends to increase its dividend payment by 40 per cent.

Golds active

After being sharply lower in overnight U.S. markets, South African Golds staged a strong recovery in London yesterday following the $6.375 surge in the bullion price to a record closing level of $250.50 per ounce awaiting the outcome of yesterday's International Monetary Fund auction.

Nevertheless, share prices closed a shade lower overall mainly reflecting a fall in the investment currency premium. The Gold Mines index gave up 1.2 to 182.6, while the ex-premium index managed a 0.3 gain at 182.6.

Among heavyweights, losses of around ½ to ½ were seen in Vaal Reefs, £17½, West Driefontein, £25½ and Western Holdings, £21½, but Hartebeest stood out with an improvement of ½ to £14½.

In medium-priced stocks, Kloof recovered from 685p to close unaltered on balance at 696p. Adverse Press mention affected sentiment in East Rand Gold and Uranium, which fell 19 to 288p.

London-registered Financials provided features in Gold Fields and Selection Trust. The record bullion price prompted a rise of 8 in the former to a 1978-79 high of 208p, while the latter shares, which have barely improved during the recent boom in base-metal prices, jumped to a high of 520p prior to closing 16 firmer on balance at 516p. Charter hardened 3 to 152p.

Another strong rise in base-metals prices encouraged renewed buying of overseas producers. Roan Consolidated regained 10 to 110p, while Palabora held steady at 610p following the higher profits and dividend.

A brisk turnover developed in Australians with the strength of base-metal and precious metal prices attracting a good London buying interest.

Bougainville jumped 10 to a 1978-79 high of 171p following the increased profits and dividend while, among the gold-orientated issues, Gold Mines of Kalgoorlie added 6 to 82p and North Kalgurli 2 to 17p.

The lower premium affected Malaysian Tins which generally gave ground, but the Cornish producer Geevor rose 5 to 150p reflecting the current strength of the metal price.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
BP	£1	15	946	−4	956	720
Shell Transport	25p	13	602	—	602	484
BATs Defd.	25p	10	276	−1	304	227
ICI	£1	9	351	+1	421	328
Barclays Bank	£1	8	368	−2	398	296
Tate & Lyle	£1	8	143	+2	218	141
Beecham	25p	7	602	−1	728	581
Royal Insurance	25p	7	337	−3	425	333
Ultramar	25p	7	238	—	284	182
Woolworth (F.W.)	25p	7	63	+½	73	61
Burmah Oil	£1	6	90	−2	95	42
Decca A	25p	6	340	−3	500	340
Distillers	50p	6	206	—	215	163
GEC	25p	6	317	—	349	233
Glaxo	50p	6	465	−5	648	465

FINANCIAL TIMES STOCK INDICES

	Feb. 7	Feb. 6	Feb. 5	Feb. 2	Feb. 1	Jan. 31	A year ago
Government Secs.	65.12	65.34	65.57	65.80	66.04	66.27	74.41
Fixed Interest	66.67	66.84	66.91	67.31	67.74	67.93	77.31
Industrial	455.2	454.8	460.7	467.5	468.5	467.7	[illegible]
Gold Mines	182.6	183.8	181.4	171.9	166.8	165.3	145.0
Gold Mines (Ex-$ pm)	123.5	123.2	121.6	116.0	112.2	112.4	111.2
Ord. Div. Yield	6.27	6.26	6.21	6.14	6.14	6.15	5.72
Earnings, Y'ld % (full)	16.42	16.39	16.24	16.07	16.06	16.11	17.45
P/E Ratio (net) (*)	7.90	7.91	7.98	8.07	8.08	8.05	8.09
Dealings marked	5,055	5,568	5,086	4,838	4,085	4,293	5,871
Equity turnover £m.	—	94.78	87.06	84.77	88.21	56.24	64.16
Equity bargains total	—	16,422	14,589	13,675	15,164	11,657	14,153

10 am 453.2. 11 am 452.6. Noon 453.6. 1 pm 454.1. 2 pm 454.4. 3 pm 454.4.

Latest Index 01-246 8026.

* Nil = 7.68

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	78.58 (3/1/78)	65.12 (7/2/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	66.67 (7/2/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8/78)	134.1 (29/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.3 (15/4/78)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	Feb. 7	Feb. 6
—Daily		
Gilt Edged	162.1	165.3
Industrials	163.2	187.8
Speculative	60.3	67.0
Totals	115.1	126.7
5-d'y Av'r'ge		
Gilt Edged	145.9	138.8
Industrials	166.1	163.7
Speculative	57.0	54.2
Totals	112.1	108.6

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 6	Feb. 19	May 3	May 15
Feb. 20	Mar. 5	May 17	May 30
Mar. 6	Mar. 19	May 31	Jne. 12

For rate indications see end of Share Information Service

The option market remained active and calls were reported in MEPC, Weekes Assoc., Elbief, Burmah, Premier Oil, Davies and Newman, UDT, Westland, Manganese Bronze, Ultramar, BSR, British Land, Charter Cons., Christopher Moran, Cons. Gold, Chaddesley, Tricentrol, Bouganville, Blue Circle, Bolton Textile, Bath and Portland, Morgan Edwards, Spillers, Decca "A," Duple and Robert Kitchen Taylor. A put was arranged in Mersey Docks, and double options completed included Lonrho, Cons. Gold and Mersey Docks.

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted by the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (28)

STORES (2)
Kunick — Wilkinson Warburton

ELECTRICALS (1)
Thorne (F. W.)

ENGINEERING (2)
Bullough — Farmer (S. W.)

INDUSTRIALS (3)
Cape Industries — Triefus
Gnome Photo.

LEISURE (1)
Hawley

MOTORS (1)
Glanfield Lawrence

NEWSPAPERS (1)
Internatl. Thomson

PROPERTY (2)
Intereuropean — Town Centre

TRUSTS (2)
Selected Risk Inv. — Kitchen Taylor

OILS (4)
British Borneo — CCP North Sea
BP — LASMO

OVERSEAS TRADERS (1)
Jacks (W.)

MINES (8)
Anglo-Amer. Coal — Bougainville
Anglo-Vaal — North Kalgurli
Cons. Gold Fields — Western Mining
Selection Trust — Yukon Cons.

NEW LOWS (109)

BRITISH FUNDS (68)
CORPORATION LOANS (3)
LOANS (4)
CANADIANS (1)
BANKS (3)
BEERS (1)
BUILDINGS (3)
DRAPERY & STORES (1)
ENGINEERING (5)
FOODS (1)
INDUSTRIALS (9)
LEISURE (1)
MOTORS (4)
TEXTILES (2)
TRUSTS (1)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	77	3
Corpns., Dom. and Foreign Bonds	7	18	39
Industrials	153	517	852
Financial and Prop.	28	230	251
Oils	9	8	27
Plantations	4	8	19
Mines	32	53	[illegible]
Recent Issues	3	4	20
Totals	236	915	1,260

APPOINTMENTS

Changes at Imperial Tobacco

Mr. W. Davies is to be appointed to the newly-created post of operations director on the Board of IMPERIAL TOBACCO from April 1. He will control production resources planning and remain in charge of personnel. Mr. D. R. Mott, production director, retires this year when production will be incorporated into the operations director's position. Also from the beginning of April, Mr. C. R. McCay will relinquish his appointment as chairman and managing director of Ogden's, and will become commercial director of Imperial Tobacco in place of Mr. S. E. Duckham, who will concentrate on his responsibilities as chairman of Imperial Distributors and continue as a full-time member of the IT Board. Mr. W. W. H. Foyn will be managing director of Ogden's from April 1.

*

Mr. R. A. Lawson and Mr. L. R. Parker have been appointed to the Board of R S COMPONENTS, a member of the Electrocomponents Group.

*

Mr. Alex Geffert has been appointed marketing director of LADBROKE HOTELS AND HOLIDAYS. Prior to joining Ladbrokes he spent 11 years with Watney Mann.

*

Mr. Donald Bass is to join SCHAVERIEN AND CO., stockbrokers, as a limited partner from January 29. He was previously chairman and chief executive of Rose Laird.

*

The following senior executive appointments have been made at OCTOPUS BOOKS LIMITED: Mr. Gerd Seeber, managing director foreign division, Mr. Colin Clark, children's published; Rachel Caldin, fiction publisher; and Mr. Patrick Maloney, marketing director, Octopus Books Pty. They are not members of the Octopus Books Limited Board. Mr. Barry Gillons is company Secretary of the OCTOPUS PUBLISHING GROUP and not a director as previously reported.

*

Mr. D. T. Morris-Jones has been appointed financial director of GULLICK DOBSON INTERNATIONAL, a company in the mining machinery division of the Dobson Park Industries Group. Mr. J. Whittle has become financial director of GULLICK DOBSON LIMITED.

*

Mr. P. W. Allsebrook and Dr. Stuart Timperley have been appointed by British Railways Board to the board of its road/rail container transport company, FREIGHTLINERS. Mr. Allsebrook is managing director of Seeatle, the holding company of Truckline Ferries. Dr. Timperley is senior lecturer in organisational behaviour and manpower studies at the London Graduate School of Business Studies.

*

Mr. Norman Spiers has been appointed financial director to

Mr. Norman Spiers

S. H. Lock and Company (Holdings), a subsidiary of JAMES FINLAY AND CO. Mr. Spiers was formerly manager London, Commonwealth Trading Bank of Australia and adviser in London to First National Bank of Maryland.

*

Mr. Charles Bromley has been elected a vice-president of the ELECTRICAL CONTRACTORS' ASSOCIATION. He joins Mr. David Pitts and Mr. A. B. Ford as one of three ECA vice-presidents, but will be senior to Mr. Ford. Mr. Bromley is managing director of Elequip.

Dr. Karlos Rischbieter, chairman of Banco do Brasil, has succeded Professor Alberto Ferrari as chairman of EURO-LATIN-AMERICAN BANK. Mr. Peter Lunn becomes vice-chairman. M. Francois Hecker has been elected chairman of the bank's executive committee and Dr. Juan Ocampo vice-chairman. Mr. Lunn is a general manager of Barclays Bank International.

*

Mr. Michael Robbins is to be the new chairman of the MUSEUM OF LONDON in place of the late Viscount Harcourt. Mr. Robbins has been a governor of the Museum since 1968. He recently retired as managing director, railways, of the London Transport Executive and remains a part-time member of the executive.

*

Professor Sir Norman Anderson, chairman of the House of Laity of the General Synod of the CHURCH OF ENGLAND since its inception in 1970, is to retire from that position on July 5, but will remain a member of the House of Laity until the present Synod ends in July 1980.

*

Mr. Robert Jelly has been appointed marketing director of STAVELEY-LAPOINTE MACHINE TOOLS (WATFORD), a division of Staveley Machine Tools.

*

CHEMCO INTERNATIONAL LEASING INC., a subsidiary of Chemical New York Corporation, has appointed three new vice-presidents. Mr. Richard M. Holloway, who is managing director of Chemco Equipment Leasing (UK), Mr. Keith Wallis, general manager of Chemco Leasing S.pa (Italy), and Mr. Paul Ecker, general manager of Chemco Leasing GmbH (Germany).

*

Lord Campbell of Croy has been appointed to the board of STOIC INSURANCE SERVICES and Mr. A. J. Ewen has joined the board of STOIC INSURANCE BROKERS.

*

Mr. A. A. Bissett has been appointed to the Board of EDINBURGH FUND MANAGERS.

LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 29, 1978, in the principal equity sections of the F.T. Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines F.T.	+28.69	Metal and Metal Forming	−0.98
Mining Finance	+17.41	Building Materials	−0.99
Overseas Traders	+9.03	Chemicals	−1.06
Oils	+5.99	Other Groups	−1.11
Tobaccos	+5.92	Electricals	−1.15
Property	+5.07	Food Manufacturing	−1.41
Investment Trusts	+4.19	Household Goods	−1.53
Wines and Spirits	+3.09	Electronics, Radio and TV	−1.76
Newspapers and Publishing	+2.56	Capital Goods Group	−1.91
Packaging and Paper	+2.55	Textiles	−2.26
Shipping	+1.59	Insurance Brokers	−2.32
Banks	+1.37	Hire Purchase	−2.51
Entertainment and Catering	+1.18	Office Equipment	−2.59
Merchant Banks	+0.92	Insurance (Life)	−2.75
All-Share Index	+0.91	Breweries	−2.79
Food Retailing	+0.58	Pharmaceutical Products	−3.04
Consumer Goods (Non-durable)	+0.24	Consumer Goods (Durable) Group	−3.14
Toys and Games	+0.20	Discount Houses	−3.14
500 Share Index	+0.18	Mechanical Engineering	−3.17
Financial Group	+0.07	Insurance (Composite)	−3.71
Engineering Contractors	−0.19	Contracting and Construction	−4.46
Stores	−0.31	Motors and Distributors	−6.00
Industrial Group	−0.89		

† Percentage changes based on Tuesday, February 6, 1979 indices.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	800	161	2	—	—	—	—	947p
BP	900	73	7	90	—	115	—	"
BP	950	34	12	64	[illegible]	[illegible]	[illegible]	"
BP	1000	11	32	38	5	[illegible]	[illegible]	"
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	206p
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Cons Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	318p
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
GEC	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	116p
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	351p
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
ICI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Land Secs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	255p
Land Secs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	84p
Marks & Sp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	605p
Shell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Totals			715		106		60	
		February		May		August		
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	187p
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	129p
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
EMI	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Imperial Gp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	279p
RTZ	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	"
Totals			[illegible]		[illegible]		[illegible]	

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
65	F.P.	[illegible]	93	68	Caledonian Hldgs.	93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Harris Queensway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hunting Assoc. Defd.	126	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Kenning Motor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
—	F.P.	[illegible]	37	31	M. Y. Dart Defd.	37	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
110	F.P.	[illegible]	[illegible]	[illegible]	Mill'tal.'s'nShps20p	126	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	109p	102p	Assoc. Dairies 9¼% Pref	102p	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	City of London 12% Cnv. Uns. Ln. 1988-[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Colne Valley Water 8% Red Prf 1983	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Findlay R. 9% Cnv. Cum. Red. Prf	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hawley-Leisure 12% Cnv. Uns. Ln.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	ITAS Cargo Airlines [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mid Kent Water 9% Prf. 1984	[illegible]	[illegible]
100p	F.P.	[illegible]	107p	[illegible]	Rivington Reed 9½% Cnv. Cum. Red. Pref.	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Seascope 10% Pref	[illegible]	[illegible]
[illegible]	F.P.	—	98p	95p	Shaw Carpets 10¾% 2nd Cum. Pref. £1	96p	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price p	+ or −
60	F.P.	19/1	78	67	Associated Biscuit	76	+1
125	Nil	—	[illegible]	45pm	Baker Perkins	57pm	−2
OS21	Nil	[illegible]	[illegible]	[illegible]	Bank of Nova Scotia	[illegible]	[illegible]
45	F.P.	8/12	9/2	[illegible]	Foster (John)	53	[illegible]
220	Nil	—	[illegible]	[illegible]	Haslemere Estates	26pm	[illegible]
58	Nil	—	[illegible]	[illegible]	Montfort	[illegible]	[illegible]
105	F.P.	—	7/2	[illegible]	Neill & Spencer	129	[illegible]
20	Nil	—	[illegible]	[illegible]	Poseidon	50pm	[illegible]
10	F.P.	8/1	2/3	[illegible]	[illegible]	[illegible]	[illegible]
18	Nil	—	[illegible]	[illegible]	Sterling Electrical Defd.	16	[illegible]
28	F.P.	10/1	9/2	[illegible]	York Fine Woollen	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. r Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Wed., Feb. 7, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Tue., Feb. 6 Index No.	Mon., Feb. 5 Index No.	Fri., Feb. 2 Index No.	Thurs., Feb. 1 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	225.03	−0.6	17.97	5.91	7.61	226.38	229.54	232.68	232.04	201.82
2	Building Materials (28)	199.41	−1.0	19.25	6.58	7.15	201.36	204.32	206.85	206.19	179.28
3	Contracting, Construction (28)	339.39	−0.8	22.77	6.07	6.31	342.98	346.82	349.73	350.03	316.26
4	Electricals (15)	530.02	−0.1	14.52	3.58	9.43	530.58	539.55	545.84	545.15	436.76
5	Engineering Contractors (12)	347.84	−1.1	19.31	6.51	7.00	351.81	354.11	360.49	358.99	289.30
6	Mechanical Engineering (73)	174.49	−0.6	19.04	6.36	7.00	175.55	178.15	181.09	180.58	158.48
8	Metals and Metal Forming (16)	156.89	−0.6	17.74	9.16	7.04	157.78	159.34	161.54	160.81	163.52
11	CONSUMER GOODS (DURABLE) (53)	198.77	−0.9	17.75	5.45	7.53	200.64	202.69	206.98	205.83	185.76
12	Lt. Electronics, Radio, TV (16)	255.51	−0.5	14.80	4.09	9.47	257.31	259.91	266.01	263.33	223.79
13	Household Goods (12)	161.13	−1.6	18.76	7.21	7.33	163.80	164.65	166.88	164.86	168.99
14	Motors and Distributors (25)	110.70	−1.5	23.12	7.64	5.43	112.40	113.69	115.94	116.32	113.06
21	CONSUMER GOODS (NON-DURABLE) (170)	207.28	+0.1	16.83	6.23	7.95	207.15	209.26	212.02	211.12	192.09
22	Breweries (14)	224.61	−0.2	17.00	6.69	7.46	225.02	226.95	230.04	229.67	213.71
23	Wines and Spirits (6)	291.17	—	15.96	5.12	9.21	291.20	293.52	298.58	296.09	244.47
24	Entertainment, Catering (17)	278.68	—	16.17	6.99	8.18	278.71	274.33	279.24	278.73	249.54
25	Food Manufacturing (19)	196.84	—	19.09	5.64	6.98	196.85	197.77	199.24	199.16	187.59
26	Food Retailing (15)	227.62	−0.6	14.18	5.17	9.59	228.95	231.09	233.87	233.36	188.18
32	Newspapers, Publishing (12)	376.00	−0.3	21.81	6.50	6.50	377.30	379.26	381.34	381.48	321.99
33	Packaging and Paper (15)	133.41	−0.5	18.91	7.90	6.92	134.07	135.81	137.36	138.36	122.87
34	Stores (40)	189.31	+0.6	12.85	5.03	11.16	188.22	190.91	194.05	193.56	178.57
35	Textiles (23)	173.00	−0.8	18.64	8.67	6.95	174.36	175.97	178.90	176.55	171.61
36	Tobaccos (3)	250.27	+0.5	22.77	7.89	5.14	249.02	250.97	253.05	248.40	231.46
37	Toys and Games (6)	90.48	−1.3	24.52	7.18	4.82	91.64	93.44	93.90	92.95	98.17
41	OTHER GROUPS (99)	191.11	−0.3	16.19	6.53	7.95	191.64	193.89	195.62	195.55	186.72
42	Chemicals (18)	272.29	—	16.37	6.96	7.96	272.33	274.38	276.03	276.29	253.30
43	Pharmaceutical Products (7)	235.59	−0.7	11.98	4.98	10.18	235.35	237.98	239.88	239.95	248.08
44	Office Equipment (6)	124.30	−0.9	17.52	6.48	6.95	125.57	127.21	129.34	127.57	127.53
45	Shipping (10)	413.15	+0.1	14.64	7.36	8.66	412.67	415.91	420.39	421.42	451.62
46	Miscellaneous (58)	207.95	−0.2	18.66	6.91	7.08	208.38	211.87	214.02	214.11	192.56
49	INDUSTRIAL GROUP (494)	213.75	−0.2	17.03	6.17	7.78	214.28	216.77	219.54	218.90	198.98
51	Oils (6)	534.45	−0.2	13.07	3.77	8.92	535.57	526.01	522.20	514.47	442.25
59	500 SHARE INDEX	240.05	−0.2	16.38	5.77	7.87	240.64	242.26	244.57	243.40	219.58
61	FINANCIAL GROUP (115)	167.51	−0.3	—	5.81	—	167.97	170.30	172.73	172.12	161.24
62	Banks (6)	197.86	−0.2	23.82	5.95	6.29	198.19	201.13	206.01	207.12	182.48
63	Discount Houses (10)	204.90	−0.7	—	8.91	—	206.24	207.36	210.57	211.59	198.60
64	Hire Purchase (5)	159.52	—	20.03	5.48	6.41	159.52	162.85	164.99	164.61	151.08
65	Insurance (Life) (10)	129.01	−0.4	—	7.28	—	129.47	131.90	132.76	131.97	136.13
66	Insurance (Composite) (7)	117.70	−0.2	—	7.45	—	117.97	119.89	122.20	121.01	125.66
67	Insurance Brokers (10)	301.03	−0.4	15.85	5.64	9.00	302.34	307.69	309.72	309.96	304.03
68	Merchant Banks (14)	76.68	−1.8	—	6.54	—	78.11	79.02	80.19	80.95	77.41
69	Property (43)	281.00	—	3.77	2.87	42.56	280.99	285.43	284.24	281.82	236.15
70	Miscellaneous (10)	112.66	−0.8	19.86	7.00	6.25	113.54	114.56	115.62	113.41	104.59
71	Investment Trusts (111)	209.29	−0.9	—	5.10	—	211.30	213.12	213.88	212.59	182.34
81	Mining Finance (4)	121.21	+2.0	15.51	5.87	7.94	118.89	121.18	119.06	120.29	86.41
91	Overseas Traders (20)	321.74	+0.8	15.25	7.42	8.27	319.18	322.58	324.47	325.88	268.26
99	ALL-SHARE INDEX (750)	221.72	−0.2	—	5.78	—	222.22	224.09	226.17	225.20	202.49

FIXED INTEREST PRICE INDICES

	British Government	Wed., Feb. 7	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	100.71	−0.32	0.23	0.98
2	5-15 years	104.10	−0.40	—	1.10
3	Over 15 years	107.52	−0.39	—	1.95
4	Irredeemables	116.11	[illegible]	—	[illegible]
5	All stocks	104.05	−0.37	—	1.19

FIXED INTEREST YIELDS
Br. Govt. Av. Gross Red.

			Wed., Feb. 7	Tue., Feb. 6	Year ago (approx.)
1	Low Coupons	5 years	10.62	10.58	7.92
2		15 years	12.32	12.28	10.65
3		25 years	13.15	13.18	10.56
4	Medium Coupons	5 years	13.84	13.74	10.22
5		15 years	13.84	13.75	11.06
6		25 years	13.84	13.75	11.17
7	High Coupons	5 years	13.89	13.77	10.79
8		15 years	14.99	14.39	11.95
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]

		Wed. Feb. 7 Index No.	Wed. Feb. 7 Yield %	Tues. Feb. 6	Mon. Feb. 5	Fri. Feb. 2	Thur. Feb. 1	Wed. Jan. 31	Tues. Jan. 30	Mon. Jan. 29	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

§ Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 22p.

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Int. Tst.	96.9	102.0	+0.2	3.46
Abbey Capital	34.0	36.2	−0.2	4.55
Abbey Income	40.3	42.9	−0.2	6.53
Abbey Inv. Tst. Fd.	36.1	38.4	−0.2	4.80
Abbey Gen. Tst.	45.4	48.3xd	−0.2	4.63
Equitas Prog. Tst.	67.4	71.1	−0.3	4.73

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	67.7	72.4	−0.3	5.99
Brit. Inds. Fund	63.7	68.2	−0.3	5.72
Grth. & Inc.	36.3	38.8xd	−0.3	5.67
Elect. & Ind. Dev.	34.9	37.3	−0.4	4.83
Allied Capital	69.7	74.6	−0.3	4.85
Hambro Fund	107.0	114.5	−0.6	5.46
Hambro Acc. Fd.	122.8	131.4	−0.5	4.99
Income Funds				
High Yield Fd.	70.8	75.8xd	−0.5	8.58
High Income	66.5	71.2	−0.4	7.09
A. H. Eq. Inc.	38.3	41.0xd	−0.3	7.49
International Funds				
International	26.9	28.8xd	−0.3	2.36
Pacific Fund	46.2	49.4xd	−0.2	1.80
Secs. Of America	54.9	58.7	−0.3	1.96
Specialist Funds				
Smaller Co.'s Fd.	37.6	40.2xd	−0.2	4.73
2nd Smlr. Co's Fd.	50.0	53.5	−0.4	4.45
Recovery Sits.	97.1	103.9	−0.4	5.29
Met. Min. & C'dty.	44.2	47.3	+0.1	4.84

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	23.0	24.7	−1.0	3.24
Accum. Units	27.3	29.4	−1.1	3.24
J. Finlay Income	34.0	36.6	−0.2	8.88
J. Finlay Euro.Fin.	27.8	29.9	−0.2	3.14
Accum. Units	32.9	35.4	−0.2	3.14
J. Finlay Fd.In.Tst.	28.3	30.4	——	4.93
Accum. Units	33.0	35.4	——	4.93

Prices on Feb. 7. Next dealing Feb. 14.

Framlington Unit Mgt. Ltd. (a)
5-7 Ireland Yard, EC4B 5DH. 01-248 6971

American	49.0	52.0	——	1.06
Capital Tst.	138.6	147.4	——	3.87
Income Tst.	109.8	116.8	——	7.57
Int. Growth Fd.	120.2	127.8	——	2.06
Do. Accum.	125.2	133.0	——	2.06

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends.Prov. Uts.	43.5	46.5	−0.3	4.69
Do. Accum.	57.5	61.4	−0.3	4.69

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital	100.9	103.0	——	4.85
Gross Income	74.4	76.5	——	9.41
High Yield	86.1	88.2	——	8.97

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥

[illegible]

Discretionary Unit Fund Managers
22, Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Jan. 26	175.1	186.8	......	5.14

E. F. Winchester Fund Mngt. Ltd.
Old Jewry, EC2. 01-606 2167

Great Winchester	18.0	19.6xd	......	4.94
Gt. Winchester O'seas	18.2	20.3xd	......	4.38

Emson & Dudley Tst. Mngmt. Ltd.
20, Arlington St., S.W.1. 01-499 7551

Emson Dudley Tst.	68.3	73.4	......	7.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	66.0	70.1	−0.4	4.49

Japan	174.0	[illegible]	[illegible]	[illegible]
(Accum. Units)	176.6	188.1	−0.6	3.32
Magnum	209.6	225.3xd	−1.4	4.46
(Accum. Units)	268.7	288.9	−1.8	4.46
Midland	183.8	195.8	−1.6	7.33
(Accum. Units)	311.8	332.1	−2.7	7.33
Recovery	92.4	98.4xd	−1.0	3.61
(Accum. Units)	96.3	102.6	−1.1	3.61
Second Gen.	177.3	192.4xd	−1.4	5.35
(Accum. Units)	274.4	297.7	−2.2	5.35
Smaller Companies	176.3	189.5	−1.3	4.08
(Accum. Units)	224.2	241.0	−1.6	4.08
Specialised Funds				
Trustee	146.8	154.9	−1.4	6.80
(Accum. Units)	291.8	307.8	−3.2	6.80
‡‡Charibond Jan. 30		98.9xd	−1.4	13.10
‡‡Charifund Feb. 6	146.6	148.8xd	......	8.00
(Accum. Units)	195.1	198.0	......	8.00
Pens. Ex. Feb. 5	143.5	151.4	......	5.83

CORAL INDEX: Close 452-457

INSURANCE BASE RATES

†Property Growth 12%
†Vanbrugh Guaranteed 12.62%
†Address shown under Insurance and Property Bond Table.

INSURANCE AND PROPERTY BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund		$US7.05	−0.23	—

Net asset value January 31.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1, Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Gilt Edg Fd.	£10.38	10.00	......	11.56

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 72177

Cap. Tst. (Jersey)	112	116	......	4.31

Next dealing date February 20.

Gov't Secs. Tst.	90	92xd	......	12.50

Next dealing date Feb. 12.

East & Intl.Tst.(CI)	98	105	......	3.57

Next dealing date Feb. 8.

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127, Kent St., Sydney

US$1 Shares		$US1.48	......	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	$US111.61	112.17	−0.63	8.25

Prices at Feb. 1. Next sub. day Feb. 7.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund LF	1,905	1,964	+3	8.03

Barclays Unicorn Int. (Ch. Is.) Ltd.
1, Charing Cross, St. Helier, Jsy. 0534 73741

[illegible]

Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,384	1,517	......	2.30
Bondselex	[illegible]	126.30	−0.55	—
Cent. Assets Cap	£140.95	141.01	−0.01	—

King & Shaxson Mgrs.
1 Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	8.84	8.90xd	......	13.25
Gilt Trust (I.o.M.)	100.0	102.6xd	......	13.25
Gilt Fnd. Guernsey	9.24	9.25	+0.01	13.25
Intl. Govt. Secs. Tst.				
First Sterling	£17.99	18.06	......	—
First Intl.	$192.96	193.37	......	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest. Lux. F.		1,125	−5	3.11
Guernsey Inc.	65.2	69.1	......	4.07
Do. Accum.	81.7	86.6	......	4.07
KB Far East Fd.		US$13.00	......	1.53
KB Intl. Fund		$US12.37	......	1.66
KB Japan Fund		US$37.54	......	0.67
K.B. U.S. Gwth. Fd.		$US12.65xd	+0.38	1.58
Signet Bermuda		US$5.10	......	1.95
K.B. Int. Bd. Fd.		$US101.54	......	—

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas	58.9	62.0	......	0.24

Next dealing date February 15.

Lloyds Trust Gilt	£9.84	9.95	−0.05	12.00

Next dealing February 22.

[illegible]

J.E.T. Managers (Jersey) Ltd.
P.O. Box 98, Channel House, Jersey. 0534 73673

Jersey Extrnl. Tst.	175.0	185.0	......	—

As at Jan. 31. Next sub. day Feb. 28.

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.		HK$257.69	......	2.60
Jardine J'pn.Fd.*		HK$415.66	......	0.80
Jardine S.E.A.		$US17.59	......	2.00
Jardine Flem.Int.		HK$12.02	......	—
Intl.Pac.Secs.(Inc.)		HK$13.67	......	—
Do. (Accum.)		HK$13.86	......	—

NAV Jan. 15. *Equivalent US$67.38.
Next sub. day January 31.

Warburg Invest. Mngt. Jrsy. Ltd.
1, Charing Cross, St. Helier, Jsy. CI 0534 73741

CMF Ltd. Jan. 25	$US14.45	14.82	......	2.90
CMT Ltd. Jan. 25	£14.81	£15.20	......	2.80
Metals Tst. Jan. 18	£12.93	13.25xd	......	6.30
TMT Jan. 11	$US10.66	10.99	......	2.86
T.M.T. Ltd. Jan. 11	£10.57	10.84	......	1.26

World Wide Growth Management♦
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.		$US16.06	+0.04	—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	111.7	112.8	......	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ◊. § Guernsey gross. ⊕ Suspended. ◊ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

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"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	22	......	—	—
41	33	Do. 5pc Pref......	40	......	—	—
98	98	Chilean Mixed......	98	......	—	£3.10
22	6	Chinese 4½pc 1898	19½	......	—	—
35	4½	Do. 5pc 1912	31	......	—	—
20½	4½	Do. 5pc 1925 Boxer	18½	......	—	—
415	350	German Yng. 4½pc.	415	......	4½	—

BONDS & RAILS—Cont.

[illegible]

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 47¾% (based on US$2.0135 per £)

CANADIANS

[illegible]

S.E. List Premium 47¾% (based on $2.3992 per £)

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT
Head Office: Bracken House, 10, Cannon Street, London EC4P 4BY
Telex: Editorial 886341/2, 883897. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1
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MINES

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O.F.S.

[illegible]

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[illegible]

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[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
15	9	Acmex	13	......	—	—	23.0
171	64	Bougainville 50 Toea	171	+10	Q15c	1.4	3.0
139	63	BH South 50c	139	+2	—	—	—
820	150	Central Pacific	450	......	—	—	—
336	148	Conzinc Riotinto 50c.	318	+8	‡Q10c	2.2	‡
32	19	Cultus Pacific N.L.	27	......	—	—	—
27	9½	Endeavour 20c	19	......	—	—	—
82	45	G.M. Kalgoorlie $1.	82	+6	—	—	—
68	18	Haoma Gold N.L.	36	......	—	—	—
158	81	Hamptn Areas 5p.	152#	......	♦3.55	2.0	3.5
40	10	Metals Ex. 50c	35½	......	—	—	—
275	125	M.I.M. Hldgs. 50c	272	+1	†Q9c	1.7	2.1
22	10	Minefields Expl.	15	......	—	—	—
74	10	Mount Lyell 25c	73	......	—	—	—
43¾	11¾	Newmetal 20c	24	......	—	—	—
143	79	North B. Hill 50c	140	+3	Q8c	1.3	3.5
17	8½	Nth. Kalgurli	17	+2	—	—	—
50	12	Nth. West Mining	31	......	—	—	—
178	115	Oakbridge $A1	137	......	Q12c	1.9	5.4
42	10	Otter Ex. N. L.	28	......	—	—	—
102	30	Pacific Copper	100	......	—	—	—
£15½	725	Pancont'l 25c	900	......	—	—	—
40	12	Paringa M&Ex.5p	23½	......	—	—	—
570	310	Peko-Wallsend 50c.	488	−2	Q15c	3.3	1.9
300	50	Southern Pacific	180	+5	—	—	—
170	84	Westn. Mining 50c.	170	+4	Q3c	0.7	1.1
10	7	Westmex	9	......	—	—	—
100	35	Whim Creek 20c.	60	......	—	—	—

TINS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	25	......	2.81	1.3	16.8
435	240	Ayer Hitam $M1	415	−5	Q300c	0.5	15.5
60	45	Beralt Tin	52	......	4.0	♦	11.5
305	190	Berjuntai $M1	260	−5	†Q110c	1.0	9.9
185	111	Geevor	150	+5	H5.57	5.8	5.5
11	8½	Gold & Base 12½p	9	......	—	—	—
350	220	Gopeng Cons.	315xd	+5	18.0	♦	8.5
325	130	Hongkong	325	......	12.5	♦	5.7
93	64	Idris 10p	66xd	......	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	63	Kamunting $M0.50	76	......	†Q12.5c	2.1	3.5
255	133	Killinghall $M1	255	......	—	—	—
470	280	Malay Dredging $M1	435	−5	Q175c	0.7	8.6
78	40	ΔPahang	52	−2	—	—	—
78	50	Pengkalen 10p	63xd	......	4.5	♦	10.7
270	165	Petaling $M1	230	......	Q120c	1.3	11.2
87	49	Saint Piran	76	......	†2.03	6.5	4.0
70	47	South Crofty 10p.	56	−1	†4.19	2.0	11.2
245	140	South Kinta $M0.50.	185	−5	†Q145c	0.6	16.8
370	230	Sthn Malayan $M1.	360	−5	Q190c	1.0	11.3
245	134	Sungei Besi $M1.	240	−5	mQ65c	5.3	5.8
85	55	Supreme Corp. $M1.	75	......	ZQ10c	—	2.9
103	84	Tanjong 15p	103	......	6.60	0.8	9.8
270	148	Tronoh $M1	245	......	‡Q80c	1.0	‡

COPPER

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
104	54	Messina R0.50	102	......	—	—	—

MISCELLANEOUS

1978-79 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
74	35	Barymin	70	......	—	—	—
17	9	Burma Mines 17½p	12	......	—	—	—
325	165	Cons. Murch. 10c.	320	−5	—	—	—
465	245	Northgate C$1	385	−15	—	—	—
284	164	R.T.Z.	280	+2	9.5	2.8	5.1
90	30	Sabina Inds. C$1.	56	−2	—	—	—
£12	687	Tara Explo. $1	855	−5	—	—	—
235	120	Yukon Cons. C$1.	235	+10	Q7c	2.9	1.4

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$13¾	+⅛	Q190c	♦	15.9
$11⅛	830c	East Drie R1	$11⅛	......	Q115c	♦	11.8
585c	330c	East Rand Prp. R1	425c	......	Q10c	—	—
$28⅞	$16½	F.S. Geduld 50c	$24	......	Q315c	2.4	15.1
$15⅞	975c	Pres. Brand 50c	$13½	+⅛	Q150c	3.2	12.8
$13½	900c	St. Helena R1	$13½	+½	Q190c	1.4	16.2
510c	313c	Stilfontein 50c	510c	+10	Q66c	2.3	14.9
$23¼	$16¼	Vaal Reefs 50c	$23¼	+¼	Q280c	♦	13.8
$37	$25	West Drie R1	$34⅛	......	†Q385c	1.7	12.9
$31¼	$19	West Hldgs. 50c	$29⅝	......	Q415c	1.4	16.3
$13	895c	Western Deep R2	$12¾xd	......	Q147½c	2.4	13.3

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 34

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or —
Albany Inv. 20p	26	......
Ash Spinning	108	......
Bertam	21	......
Bdg'wtr. Est. 50p	324	......
Clover Croft	28	......
Craig & Rose £1	615	......
Dyson (R. A.) A	35	......
Ellis & McHdy	69	......
Evered	26	......
Fife Forge	52	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	122	−3
Higsons Brew	78	......
Holt (Jos) 25p	252	......
I.O.M. Stm. £1	252	......
Pearce (C. H.)	290	......
Peel Mills	24	......
Sheffield Brick	51	......
Sheff. Refrshmt	70	......
Sindall (Wm.)	120	......

IRISH

Stock	Price	+ or —
Conv. 9% '80/82	£88¼	−¼
Alliance Gas	106	−1
Arnott	390	......
Carroll (P.J.)	90	......
Clondalkin	97	......
Concrete Prods.	135	......
Heiton (Hldgs.)	60	+5
Ins. Corp.	162	......
Irish Ropes	100	......
Jacob	50	......
T.M.G.	185	......
Unidare	88	......

OPTIONS
3-month Call Rates

Stock	Rate
Industrials	
A. Brew	6½
BOC Intl.	6
B.S.R.	8
Babcock	11
Barclays Bank	25
Beechams	32
Blue Circle	18
Boots	15
Bowaters	14
B.A.T.	24
Brown (J.)	33
Burton 'A'	16
Cadburys	5
Courtaulds	10
Debenhams	8
Distillers	15
Dunlop	5
Eagle Star	10
E.M.I.	14
Gen. Accident	17
Gen. Electric	18
Glaxo	40
Grand Met.	7½
G.U.S. 'A'	20
Guardian	18
G.K.N.	22
Hawker Sidd.	20
House of Fraser	12
I.C.I.	20
"Imps"	6
I.C.L.	40
Inveresk	7
KCA	3
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Do. Warrants	10
P & O Dfd.	7
Plessey	8
R.H.M.	5
Rank Org.	18
Reed Intnl.	12
Spillers	3½
Tesco	4
Thorn	22
Trust Houses	£18
Tube Invest.	30
Unilever	35
U.D.T.	4
Utd. Drapery	7½
Vickers	15
Woolworths	5
Property	
Brit. Land	3¼
Cap. Counties	4½
E.P.	3½
Intreuropean	5
Land Secs.	16
MEPC	12
Peachey	8
Samuel Props.	9
Town & City	1¼
Oils	
Brit. Petroleum	45
Burmah Oil	8
Charterhall	2½
Shell	28
Ultramar	16
Mines	
Charter Cons.	12
Cons. Gold	12
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday February 8 1979

TACHOGRAPH RULE BROKEN, EUROPE COURT FINDS

UK guilty over lorry law

BY LYNTON McLAIN

THE EUROPEAN Court of Justice ruled yesterday that Britain had broken EEC rules by failing to enforce introduction of the tachograph, which records mileage and speed, into heavy vehicles.

Transport Department officials who led the British campaign to by-pass tachograph legislation were unable to say what the Government would do. Full details of the judgment had not arrived in London.

The Freight Transport Association, representing 15,000 companies involved in haulage, termed the decision a disappointment.

The Road Haulage Association, which represents contract hauliers and has just emerged from the damaging three-week strike by lorry drivers, called on Mr. William Rodgers, Transport Secretary, to seek urgent talks with the European Commission to get dispensation for a phased introduction of tachographs.

Regulations equating UK law with that of the EEC tachograph regulation 1463/70 should have been introduced by January, 1976.

It seeks to improve road safety by enforcing limits on lorry and coach drivers' hours. A tachograph records the distance a vehicle travels, its speed, driving time and work periods, breaks from work and daily rest periods.

The machine is designed to record every time the case containing the driver's record sheet is opened.

However, a powerful lobby from the trades unions and from individual drivers encouraged the Transport Department in its view that the tachograph would be impractical and costly.

The department reiterated yesterday that Britain had a good system for enforcing drivers' hours regulations through log books and spot checks.

But the Government is certain to make no progress with the European Commission if it attempts to fight the court ruling. There have been no cases of any member of the EEC failing to abide by a ruling.

Britain's most likely action is to request a transition period for fitting tachographs on commercial vehicles.

The Irish Government was permitted to phase in tachographs after it had been warned that legal action would be taken against it by the commission for its failure to implement the regulations.

The European Commission, however, said that it would expect Britain to say within the next 10 days or a fortnight that it intended to abide by the court ruling. A consultation period would follow aimed at minimising the difficulties of bringing the legislation into effect.

News Analysis Page 7

Public service action stepped up

BY PAULINE CLARK, LABOUR STAFF

INDUSTRIAL ACTION by Britain's 1.5m public service workers will be stepped up *further from to-day. At a meeting* yesterday, unions and local authority employers failed to make any headway in the national pay dispute.

Like the hospital ancillary workers on the previous day, representatives of the local authority manual workers—the biggest group in the public services — rejected an 8.8 per cent offer and described talks as having "broken down."

They threw out the offer in spite of hints over the past few days that the Government might ultimately be prepared to countenance a higher pay increase.

Last week, the employers met the unions without making any formal offer within the 8.8 per cent formula although it had already been conceded by Government Ministers.

They argued at that time that there could be no chance of settling the dispute at that level *—a point which was taken up* at yesterday's meeting by Mr. Charles Donnet, a leading negotiator in the General and Municipal Workers Union.

He described the offer of £3.50 a week with a minimum earnings guarantee of £50 a week as "disappointing."

"They themselves said last week that this was unrealistic. We are left with no option but to continue to disrupt services and indeed to escalate action to bring about a change of mind."

Although considerable confusion has surrounded the Prime Minister's reference to public service workers' pay during his Newcastle speech on Saturday, it has been made clear that any settlement must be within single figures to meet with Government approval.

It appears that the employers are adamant that ratepayers should not be forced to bear the *full brunt of any increase above* the level which the Government is prepared to underwrite through the rate support grant.

The lastest offer, which replaces an original 5 per cent offer, would cost, in the employers' estimation, about £150m. Of that, 60 per cent would be financed by the grant.

A split has already appeared, however, among employers ready to accept the national policy and those prepared either to go to their ratepayers for more money or to cut back on manpower and services to finance larger pay increases. At least five local authorities have already made higher offers to their council workers in order to get local settlements.

The four public service unions left talks with the employers to hold a further national co-ordinating committee on *industrial action strategy. Whole* towns and urban areas are expected to be picked off for all-out strike atcion from now on but national union leaders say they will leave it to their regional committees to decide on locations.

The present deadlock seems unlikely to be resolved at least until the end of this week after the water workers' unions and employers have had further talks on their latest 15.88 per cent offer representing a 9 per cent increase on the total pay bill.

Local authority employers and unions remain divided on terms for a comparability exercise which the unions want to involve in a full-scale public inquiry.

Water workers' pay talks, Page 9

Dubai finds British dock cranes faulty

By Michael Cassell and Hazel Duffy

A FAULT in the design of two British-built cranes is threatening to delay the full commissioning of the £250m Dubai dry dock complex.

Engineers have discovered that the two cranes, valued at £4m and supplied by Clarke Chapman, part of Northern Engineering Industries, cannot lift as much as the specified 125 tonnes limit.

The dry dock is the world's largest and has been built by the Costain-Taylor Woodrow joint venture. It is to be officially opened by the Queen at the end of this month and will be managed by C. H. Bailey and its subsidiary, Bristol Channel Shiprepairers.

The complex expected to be fully operational shortly after the opening, is apparently unlikely to start until September.

Serious doubts are being expressed about the future viability of the project. Concern centres on difficulties in attracting business when there is serious overcapacity in repair facilities in the Gulf.

The two huge dockside cranes, 65 metres in radius, were discovered on site to have a structural fault arising out of the original design. Similar drawbacks have been encountered with two Clarke Chapman cranes installed at Swan Hunter's Tyneside shipyard.

Clarke Chapman said last night that the Dubai cranes "are perfectly capable of operating at a reduced lifting capacity, and will be operating at full capacity after modifications have been completed later in the year.

Costain - Taylor Woodrow denied yesterday that the joint venture had encountered difficulties involving the quality of concrete used for the dock.

CBI and Callaghan warn of inflation threat to recovery

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

TWIN WARNINGS about the harm that rising inflation will do to Britain's chances of industrial recovery were issued yesterday by the Prime Minister and the Confederation of British Industry at a meeting of the National Economic Development Council called to review the progress of the Government's industrial strategy.

The Government and the TUC gave the future work of the strategy their full support but the CBI heavily qualified its position. It accused the Government of *introducing policies* such as new price controls which impeded industrial expansion and warned that high pay deals would further hit profitability.

The council meeting took place yesterday morning, a few *hours before the Government* resumed talks on pay with the TUC. The Prime Minister told the council, which had been presented with reports on the progress of the industrial strategy during the past year, that the strategy's work must carry on throughout the present industrial crisis. But there was, he said, a danger that their efforts might be undermined by inflation.

The Government also announced yesterday that permanent procedures have been set up in Whitehall to ensure that the industrial implications of all policies being considered by the Government are studied at an early stage.

This is being done by a committee of senior civil servants from all relevant departments. The committee is run by the Treasury and presents the industrial implications of possible policy developments to ministers.

The council was also told that a number of the industrial strategy working parties had trimmed estimates for their share of UK and overseas markets. The TUC urged that a close watch be kept, in the coming year, of how successfully industries meet their targets for reducing imports. If the unions feel sufficient progress is not being made they may renew calls for import controls.

Mr. John Greenborough, CBI president, told the council that events like the lorry strike could reverse the effects of all attempts to regenerate British industry. He said the work of setting targets of sectors of industry by the industrial strategy working parties would be of no avail until companies could achieve uninterrupted manufacture and delivery of goods.

Nevertheless, the CBI believed that the strategy is of value. It is urging that its work in the next year should concentrate on achieving continuity of production, improved productivity, moderate wage settlements and lower unit costs.

Industrial strategy review Page 8

Money market rates up again

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE UPWARD pressure on the cost of borrowing was maintained yesterday with a further rise in money market interest rates.

This makes even more likely a rise in bank lending rates, though yesterday the clearers were waiting to see what lead the Bank of England might give when Minimum Lending Rate is announced at 12.30 pm today.

The main question appears to be when, and by how much, interest rates will rise, and not whether, since the upsurge in money market rates has left bank lending rates and MLR lagging behind. A rise of at least 1 or 1¼ per cent looks likely.

The chances of a rise in MLR today looked evenly balanced last night. The Bank might wish to delay a change for another week since the markets reacted relatively calmly to Tuesday's figures indicating an acceleration in the rate of growth of the money supply.

Sterling held its ground *against most major currencies.* Prices of long-dated gilt-edged stock fell by ⅛ of a point. This was the eighth successive daily fall and the general market tone was uneasy.

But even if MLR is unchanged today the clearers may not be able to hold back much longer. This is mainly because the cost of the banks' money market deposits — as shown by three-month interbank rate—has risen to 14 per cent, compared with 13 15/16 per cent on Tuesday and 13⅞ per cent last Friday. This means that the banks can in theory be lending at a loss to top-quality customers which can borrow at 13½ per cent.

This gap cannot last for long though the clearers may be reluctant to move until a new level of interest rates is established. Last autumn they had to adjust their rates twice in a fortnight and they will obviously want to avoid this.

For the Government, the issue is primarily political since till now the preference has been for waiting until the pay prospects were clearer before taking stock of the fiscal and monetary prospects, rather than taking possibly premature action now. The present market pressures could force a reassessment of whether a rise in MLR should be coupled with a broader policy statement.

Economic Viewpoint Page 19

Continued from Page 1

France boosts A-power

There have been repeated warnings of further electricity *shortages since the* December 19 breakdown, when almost all France lost supplies for four hours. More nuclear power is seen as a way of filling the supply gap and of assuring greater security of energy.

The effect of the new proposals will be to add two extra units to the four-unit nuclear station at Gravelines in the North. They will come into production in 1979 and 1980.

At Cattenom, in Lorraine, a second reactor of 1,300 MW is to be started in 1980 alongside one now being built. They will enter service in 1986 and 1987.

France will be able to increase its use of nuclear energy from about 9.3 per cent of power needs to some 20 per cent in 1985. That will go up still further as the Cattenom plant comes into operation. The contribution of oil will be reduced from almost 60 per cent to 40 per cent.

The new reactors will be the Westinghouse - developed PWR type, constructed under licence by the Creusot-Loire subsidiary Framatone. France is developing her own fast-breeder system for the next generation of power plants.

There was some adverse reaction yesterday on ecological and economic grounds.

Continued from Page 1

ICI plans hit

various divisions and it is expected that a number of these not now be met as a direct result of the road haulage strike.

During the strike the group lost sales worth almost £100m. This figure includes export losses averaging £1.5m each working day.

At York Trailers, all chances of the company's meeting the £2m profits forecast at the interim stage had been shattered, said Mr. Fred Davies, chairman.

York Trailers, one of the largest manufacturers of truck trailers and containers in Europe, said tht it had begun to feel the effects in the middle of November when the strike became inevitable.

"Orders for new equipment were postponed, in some cases cancelled altogether, collection of many completed trailers simply did not take place. Even major servicing and parts sales began to feel the impending shutdown."

Shell Chemicals UK said that its profitability "must have been affected by the road haulage strike." It added that there was a possibility that its capital spending programme this year might have to be reduced as a result.

The Port of Liverpool said that the strike had cost it more than £1m.

GKN bid for U.S. spares company

By Arthur Smith, Midlands Correspondent

GUEST Keen and Nettlefolds announced yesterday the proposed takeover of a U.S. automotive spare parts distributor with a $100m annual turnover. The major shareholders of *Parts Industries Corporation*, of Memphis, Tennessee, a private company, have agreed in principle to the deal.

GKN becomes the first European company to establish a significant presence in the U.S. distribution market. Details of the cost of the purchase have not been released, but the move is seen as an important springboard for further GKN expansion

North America, already the biggest retail components market in the world, is seen as offering opportunities for European companies as U.S. motor manufacturers move towards smaller European-type cars.

A five-year programme to establish GKN as a force in the profitable world markets for after-sales of components has been launched under Mr. Jerry Clancy, who was *recruited nine months ago* from BL Cars.

Mr. Clancy said Parts Industries dealt predominantly in U.S. parts, but there were opportunities for it to sell not only GKN components but also products from other European suppliers.

He said the proposed acquisition marked the first step in GKN's expansion programme. The possibility of creating an independent distribution network in Europe would be examined.

John Wyles writes from New York: Mr. Frank Norfleet, president, chief executive and a major shareholder in Parts Industries, said in Memphis that his 67-year-old family business was selling out to GKN because the company could not generate enough capital to take advantage of "the excellent opportunities for growth in the automotive after-market."

Parts Industries' development has followed the steady expansion of sales and distribution of automotive spare parts. The company distributes 120,000 items as far west as Denver, Colorado, north to Detroit, Michigan, and north-west to Pittsburgh, Pennsylvania.

Mr. Norfleet said that GKN made the first approaches in the autumn after the British company completed an exhaustive survey of the replacement parts market.

Background to deal, Page 6

Weather

UK TODAY

BRIGHT or sunny intervals. Mainly dry. Rather cold.

London, S.E. and Cent. S. England, Midlands, N. Wales, N. England.

Sunny spells after freezing fog patches. Max. 3C (37F).

E. Anglia, E. England, N.E. England.

Scattered snow showers especially near coasts.

Channel Isles, S.W. England, S. Wales.

Sunny spells. Rather cold. Max. 5C (41F).

Lake District, Isle of Man, Scottish lowlands and N. Ireland.

Mainly dry. Sunny intervals. Max. 3C (37F).

Borders, Highlands and islands.

Snow showers. Some bright intervals. Max. 0C (32F).

● Outlook: Northern areas dry and cold with night fog and frost. Generally cold elsewhere.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	10	50	Locarno	R	5	41
Algiers	C	22	72	London	C	7	45
Amsdm.	R	0	32	Luxmbg.	C	0	32
Athens	R	12	54	Luxor	Ds	29	84
Bahrain	S	22	72	Madrid	C	14	57
Barcina.	C	18	64	Majorca	C	20	68
Belfast	S	2	36	Malaga	C	18	64
Belgrd.	F	2	36	Malta	F	16	61
Berlin	S	−1	30	M'chstr	C	2	36
Biarritz	R	12	54	Melbne.	C	18	64
Bmghm.	C	1	34	Milan	R	4	39
Blackpl.	C	2	36	Mntreal.	C	−18	0
Bordx.	F	13	55	Moscow	C	−10	14
Boulgn.	R	7	45	Munich	C	−1	30
Bristol	R	3	37	Nairobi	S	23	73
Brussels	R	5	41	Naples	C	14	57
Budpst.	F	2	36	Nwcstl.	C	3	37
B. Aires	S	28	83	N. York	S	−7	19
Cairo	R	20	68	Nice	C	11	52
Cardiff	R	3	37	Nicosia	C	10	50
Cas'b'ca	F	18	64	Oporto	C	15	59
Cape T.	C	22	72	Oslo	C	−5	23
Chicago	S	−8	18	Paris	C	11	52
Cologne	Sn	0	32	Perth	S	32	90
Cpnhgn.	C	−4	25	Prague	F	−2	28
Corfu	S	18	64	Reykivk.	C	−2	28
Dublin	C	3	37	Rhodes	C	15	59
Dbrvnk.	S	13	55	Rio J'o	C	27	80
Ednbgh.	S	2	36	Rome	C	14	57
Faro	C	16	61	Salzbrg.	F	2	36
Florence	R	9	48	Singapr.	S	28	82
Frankft.	Sn	0	32	Stckhm.	C	−4	25
Funchal	C	18	64	Strasbg.	R	3	37
Geneva	R	8	46	Sydney	S	23	73
Gibrltr.	C	17	63	Tangier	C	18	64
Glasgow	S	1	34	Tehran	S	7	45
G'nsey	C	9	48	Tel Aviv	R	17	63
Helsnk.	Sn	−10	14	Tenerife	S	22	72
H. Kong	S	19	66	Tokyo	S	10	50
Innsbrk.	C	2	36	Toronto	C	−4	25
Invrnss.	F	−1	30	Tunis	F	19	66
I.o.Man	S	3	37	Valencia	F	21	70
Istanbul	R	5	41	Venice	C	4	39
Jersey	R	9	48	Vienna	S	0	32
Jo'burg	S	26	79	Warsaw	C	−2	28
P. Plms.	S	20	68	Zurich	C	2	36
Lisbon	C	16	61				

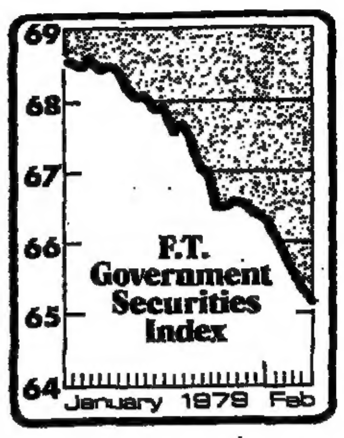
C—Cloudy. F—Fair. R—Rain. S—Sunny. Sn—Snow. Ds—Dust storm.

THE LEX COLUMN

What ICI lost in haulage strike

With *money market rates* reaching 14 per cent yesterday the clearing banks will be hoping for a lead from the Bank of England on Minimum Lending Rate at 12.30 p.m. today. If they do not get it, the clearers will *have to make* up their own minds on how high base rates should go.

Index rose 0.4 to 455.2



ICI

Yesterday's statement from ICI on the effects of the haulage strike, now ended, is said to have been issued so that employees fully understand the effect on the company's business. But it is hard to see how they can be very much the wiser. That certainly applied to the stock market, where the shares wobbled slightly, then closed 1p higher at 351p.

On January 10, remember, ICI warned that all its UK operations would be shut down within ten days if the strike was made official. It was, but the worst never happened. In the event 38 out of 182 production units were closed "at times" whatever that may mean. ICI *does not* want to give details of which plants were shut and when because the information could be valuable to competitors.

Fair enough. But ICI also says that the impact on the *group's profits will be "severe"* and will have implications for the investment programme. What can this mean for a group which last year probably made around £450m pre-tax, with net cash flow of the order of £500m?

In this context the impact of the dispute looks less than disastrous. Approaching £100m of sales are said to have been lost—on which the gross profit would probably have been of the order of £35m. But much of this backlog wil be made up, and indeed some of the overheads have been absorbed in abnormally high stocks which ICI has built up. In the City the view is that the pre-tax *damage will work out at* £15m or less—around 3 per cent of annual profits.

There could be some permanent damage to ICI's credibility as a reliable exporter. But it seems likely that what is really worrying ICI—along with many other companies—is not so much the direct impact of the dispute as the effect of the size of the lorry drivers' setlement on what its own employees will expect.

Sime Darby/Guthrie

In December, Guthrie said that its profits in 1978 might not quite match the *previous year's £19.6m, but that it expected at* least to maintain its dividend. Then up popped Sime Darby with its unwelcome offer of 425p cash per share. Now Guthrie says that 1978 profits should reach an all-time peak of £30.3m —and that a *dividend increase* of 40 per cent is justified, even at the cost of £1.1m of unrecovered advance corporation tax. It has also revalued its Malaysian estates, as a result of which its net assets rise from £109m in the last accounts to nearly £181m, or 628p per share. Quite a transformation in just a couple of months.

All this should be easily enough to see off Sime's opening offer, and the betting is now swinging in favour of Guthrie keeping its independence—at least for the time being. But there is still one big unanswered question, which is whether Guthrie's management is ever going to earn a decent return on all those assets. The suggestion is that the group is at last on the point of making a success out of its diversification away from South East Asia. And it will need to, if the shares are to stay near their current 438p in the absence of a bid. The yield on the basis of the latest estimates is 7¾ per cent, and the p/e is about 15½.

Dowty Group

The Dowty Group has maintained its excellent profits record with a 28 per cent jump to £14.12m pre-tax for the six months to last September. Overall profit margins have held unchanged; the lack of a divisional breakdown at the interim stage, unfortunate in a group as diversified as Dowty, makes it impossible to identify the principal source of growth.

At present the group is engaged in heavy capital spending—around £10m a year—in connection with the Tornado aircraft project and its mining equipment division. The Chinese mine order will start to show through in the current half-year, stemming the rather sluggish trend in overseas sales, which were down in volume in *the first half and accounted for* only 28 per cent of turnover.

Considering its involvement with defence contracts Dowty is fortunate to have virtually no exposure to Iran. There could even be benefits to the mining equipment side from prolonged oil supply problems.

At 264p the shares are trading on a p/e of 11½ to 12, assuming full-year profits in the £30-32m range, which represents a very glamorous rating for an engineering company, even one with a record as good as Dowty's. This price is looking forward to profits of around £40m next year, when both the Tornado and the Chinese work should be contributing fully. At least the cover rule will allow some improvement in the yield this year—even on a 20 per cent higher dividend, though, it would only be 3.1 per cent.

UDT

Poor old United Dominions Trust. Interim pre-tax profits of £8.5m are marginally down on last year, but as interest rates head still higher full year profits are likely to be well below last year's £17m. With three-quarters of its all important instalment credit business tied to fixed rates, the present levels of interest rates must be *financially crippling.* The group talks of having "reduced appreciably" its dependence on the Bank of England lifeboat but it is still relying on well over £200m of funds—much to the irritation of some members of the support group.

There is no interim dividend and given that the group badly needs to build up its reserves it is going to be a long time before shareholders see any *reasonable return on their* investment—the shares closed unchanged at 43p last night, capitalising UDT at £47m.

Of course, UDT could be taken over. There are some very attractive bits for an asset stripper, such as the motor distribution business and the International Commodities Clearing House, each of which can make £5m in a good year.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.

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